DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

THIRD SESSION—SIXTEENTH PARLIAMENT

19-20 GEORGE V, 1929

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OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1929

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, February 7, 1929

THIRD SESSION—SIXTEENTH PARLIAMENT—OPENING

The parliament which had been prorogued from time to time to the 7th day of February, 1929, met this day at Ottawa, for the despatch of business.

The house met at three o'clock, the Speaker in the chair.

Mr. SPEAKER read a communication from the Governor General's Secretary, announcing that His Excellency the Governor General would proceed to the Senate chamber at three p.m. on this day, for the purpose of formally opening the session of the Dominion parliament.

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:—

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber.

And the house being returned to the Commons chamber:

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that I have received the resignations of the following members, viz:—

Of the Honourable S. F. Tolmie, member for the electoral district of Victoria (B.C.)

Of Lawrence A. Wilson, Esquire, member for the electoral district of Vaudreuil-Soulanges.

I acccordingly issued my warrants to the Chief Electoral Officer to make out new writs of election for the said electoral districts respectively.

I have also the honour to inform the house that I have received a communication from the Chief Electoral Officer, informing me that, in accordance with chapter 145, section 11 of the revised statutes of Canada, 1927, he had received communications from several members notifying him of the following vacancies having occurred in the representation, viz:—

Of Jean Joseph Denis, Esquire, member for the electoral district of Joliette, by the acceptance of an office of emolument under the crown.

Of William Thomas Goodison, Esquire, member for the electoral district of West Lambton, by decease.

And that the Chief Electoral Officer had accordingly issued new writs of election for the said electoral districts respectively.

NEW MEMBERS

CERTIFICATES OF ELECTION

Mr. SPEAKER: I have the honour to inform the house that the clerk of the house has received from the Chief Electoral Officer certificates of the election and return of the following members viz.:

Of James Earl Lawson, Esquire, for the electoral district of West York.

Of D'Arcy Britton Plunkett, Esquire, for the electoral district of Victoria, B.C.

Of Charles Edouard Ferland, Esquire, for the electoral district of Joliette.

Of Ross Wilfred Gray, Esquire, for the electoral district of West Lambton.

INTRODUCTION

James Earl Lawson, Esquire, member for the electoral district of West York, introduced by Hon. R. B. Bennett and Hon. E. B. Ryckman.

D'Arcy Britton Plunkett, Esquire, member for the electoral district of Victoria, B.C., introduced by Hon. R. B. Bennett and Hon. H. H. Stevens.

Charles Edouard Ferland, Esquire, member for the electoral district of Joliette, introduced by Right Hon. W. L. Mackenzie King and Hon. P. J. A. Cardin.

Ross Wilfred Gray, Esquire, member for the electoral district of West Lambton, introduced by Right Hon. W. L. Mackenzie King and Hon. J. C. Elliott.

OATHS OF OFFICE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

Mr. SPEAKER: I have the honour to inform the house that when the house did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes I have obtained a copy, which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

In opening the third session of the sixteenth parliament of Canada I desire to join with you in profound thankfulness for the recovery of our beloved sovereign King George the Fifth. I share your fervent hope that His Majesty may be completely restored in health, and that he may be spared to continue that devoted service to the empire which has won for him an abiding place in the hearts of the people.

The unprecedented prosperity which is apparent throughout the Dominion affords cause for the deepest satisfaction. Never in the history of Canada has there been such industrial and commercial expansion as that which has taken place during the past twelve months. The industry and enterprise of our people have been rewarded under Providence with an abundant harvest. In the production of agricultural and other basic industries all previous records have been surpassed. New records have also been established in the volume of construction and in the volume of foreign trade. Employment has been maintained at a high level and all indications point to a continuance throughout the country of the present favourable conditions.

A notable feature of industrial development has been the continued advance and prosperity of the mining industry in almost every part of the Dominion.

The production of the fishing industry during the past year has shown a substantial increase over that of 1927. In accordance with the recommendations of the Royal Commission on Fisheries, the Fisheries branch of the Department of Marine and Fisheries has been separated from the Marine branch, and a Deputy Minister of Fisheries has been appointed. A reorganization of the fisheries service along lines recommended by the commission is being effected. Certain other matters covered in the report will, during the present session, be dealt with by legislation.

Plans are in progress of completion for the construction of the National Research Laboratories to provide scientific and technical knowledge for the various branches of production.

The past year witnessed the inauguration of the Canadian National Steamships service between Canada and Bermuda and the West Indies. The many advantages of this service are already apparent. In view of the importance of our ever increasing export trade it is intended to augment and extend the existing facilities for furnishing Canadian exporters with commercial information in respect to foreign markets. It is also proposed to establish additional trade commissioner offices at strategic points in different parts of the world.

Communication within the Dominion has been facilitated and improved by an extensive development of air mail services, and communication to all parts of the British Empire by the restoration of penny postage.

The expansion in trade and commerce which the country has experienced has been strikingly reflected in our transportation returns. The net earnings of the railways have exceeded those of any previous year.

Satisfactory progress continues to be made in the construction of the Hudson Bay railway. The laying of steel is now within thirty-seven miles of the terminus of the line at Churchill, where a substantial commencement has been made in the provision of port facilities. The rapid development of western and northern Canada imposes on the railways the necessity of providing increased transportation facilities in the immediate future. A further branch line program by the Canadian National management will be submitted for your consideration. You will also be asked to authorize the acquisition of certain railways in both eastern and western Canada, which will constitute potentially important feeders of the Canadian National system.

Amendment of the Railway Act will be sought, granting to the Board of Railway Commissioners wider powers of investigation of affairs in relation to subsidiary concerns, and with respect to the issue of capital stock.

Legislation will be introduced to give effect to a general pension scheme for the benefit of the employees of the Canadian National Railways.

Pursuant to the recommendations of the select standing committee on agriculture and colonization, agreements have been consummated with several of the provinces for the promotion of juvenile settlement from the United Kingdom. Negotiations have also been concluded for the application of a £10 ocean rate to all British immigrants ordinarily resident in Great Britain or Northern Ireland, except agricultural families, house workers, and juvenile immigrants who receive a more favourable rate under the Empire settlement passage agreement. A flow of immigrants commensurate with Canadian requirements and selected strictly for their ability to promote the general prosperity of the country is being satisfactorily maintained.

A royal commission has been appointed to inquire and report as to what financial readjustments are necessary in order that the province of Manitoba may be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources, as from its entrance into confederation in 1870.

Negotiations have also been resumed with the provinces of Alberta and Saskatchewan with a view to the transfer to these provinces of their natural resources, and with the province of British Columbia with respect to the restoration to that province of the lands of the railway belt and the Peace River block.

A royal commission has been appointed to inquire into the existing situation respecting radio broadcasting in Canada, and to make recommendations to the government as to its future administration, management, control, and financing.

Since the close of the last session, there has been a marked development of the provision for direct personal contact in the discussion of inter-imperial and foreign affairs. The High Commissioner for His Majesty's government in the United Kingdom of Great Britain and Northern Ireland took up his duties at Ottawa in September. The Japanese legation was established at Ottawa in July under a Chargé d'Affaires, and the French legation at Ottawa in November on the arrival of the Minister of France. The Canadian legation in Paris was opened at the end of September, and steps are being taken for the early establishment of the Canadian legation at Tokyo. The more effective consultation provided by the personal contacts thus established will, it is belived, serve materially to advance the common interests concerned, and to promote understanding and good-will in our inter-imperial and international relations.

The Multi-lateral Treaty for the Renunciation of War, which was signed on behalf of Canada on August 27, will be submitted for your approval; also a convention between the United States and Canada providing for the preservation of the scenic values of Niagara Falls.

Among other measures to which your consideration will be invited, will be certain amendments to the Dominion Elections Act, the Companies Act, the Fisheries Act, the Narcotic Drug Act, and the Act Respecting Technical Education.

Members of the House of Commons:

The public accounts for the last fiscal year, and the estimates for the coming year, will be promptly submitted.

Honourable Members of the Senate:
Members of the House of Commons:

As you enter upon the duties of another session, I pray that Divine Providence may guide and bless your deliberations.

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

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration on Friday next, and that this order have precedence over all other business, except the introduction of bills, until disposed of.

Motion agreed to.

HIS MAJESTY THE KING

MESSAGE OF THANKFULNESS AT PROMISE OF COMPLETE RECOVERY

Right Hon. W. L. MACKENZIE KING (Prime Minister): It will be generally conceded that the past twenty years have been the most eventful in the history of the modern world, if not in all history. How much within that period of time the unity and concerted action of the British commonwealth of nations has been due to the position and personality of the reigning sovereign, we are only just beginning to understand. Let me make mention of but three particulars.

In the Great war His Majesty King George, in virtue of his high office and his own personal example, stood as the symbol of the common effort of all its parts. He was the rallying centre of all the forces that, in His Majesty's name, and in the name of British liberty, fought for a larger freedom. As other thrones were overthrown, his throne became the more firmly established.

In the difficult post-war period of reconstruction, when governments came and went, and many constitutional changes were effected, His Majesty again, in virtue of his understanding, and wisdom, his steadfastness and composure, and his high office as head of the state, stood as the embodiment of an unwavering constitutional authority in Great Britain and beyond the seas.

In war and peace alike, in virtue of his broad democratic sympathies and his never-failing sense of duty, King George has ever worked with his people, as well as for them. Their fortunes have been his, and his theirs. No sovereign has ever been so largely in personal touch with his people and their many interests. There has never been a more democratic sovereign nor a better king.

Is it any wonder, then, that when, two months or more ago, it seemed as if the Angel of Death were about to enter the royal chamber, there came to British peoples, in all parts of the world, a consciousness of what the living presence of King George has meant to the empire over which he has reigned in this momentous epoch, and the sense of what the personal and world loss would be were he to be taken away?

Never have the minds and hearts of the British peoples been drawn more closely together than during the weeks and months in which they have shared the anxieties of the Royal Household, and at no time since His Majesty's accession to the throne have the feelings of love and devotion on the part of His Majesty's subjects found deeper or more universal expression than in the course of the long illness which His Majesty has been called upon to endure. In no part of the British commonwealth has solicitude been greater than in our own Dominion.

It is therefore with profound thankfulness and, indeed, with rejoicing that, as we reassemble, we are able to hope for the complete recovery of His Majesty. If this happily is the case, I feel that we should pause to pay a tribute to the skill of the

attendant physicians, surgeons and nurses, and to their respective professions, and to acknowledge with grateful hearts the beneficent Providence which, in answer to the prayers of a people, has guided their ministrations.

It will, I believe, be the wish of the Canadian people that, before entering upon our discussions, we, as their representatives, should give to His Majesty at the earliest possible moment some expression of our feelings at the promise of His Majesty's restoration to health and strength. If therefore it should meet with the convenience of hon. members opposite, and if the house will give its consent to waive the customary notice, I shall be pleased forthwith to move an address to His Majesty embodying the sentiments which we cherish in common. With the consent of the house I move the following resolution:

That it be resolved that an humble address be presented to His Majesty the King in the following words:

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's dutiful and loyal subjects, the Commons of Canada, in parliament assembled, humbly beg leave to approach Your Majesty with the expression of our thankfulness and rejoicing that, under the providence of God, there has been vouchsafed to Your Majesty the promise of complete recovery from the severe and protracted illness which Your Majesty has borne with so great patience and fortitude. We have watched the course of Your Majesty's illness with anxious solicitude and with profound sympathy for Your Majesty, Her Majesty the Queen, and for all the members of the Royal Family. It is with sentiments of the deepest sincerity and loyalty that, as representatives of the Canadian people, we join our prayers to those from all parts of the British Empire for the early restoration of Your Majesty to the fullness of health and strength.

Hon. R. B. BENNETT (Leader of the Opposition): This is an occasion on which those who sit to the left of the Speaker can associate themselves with the observations of the Prime Minister (Mr. Mackenzie King), not in his capacity as Prime Minister and chief of the government, but as leader of the House of Commons. And, the Prime Minister having spoken as leader of the house by virtue of his office, it only remains for me to say how heartily we agree, and how earnestly we associate ourselves, with every observation he has made.

The King of England has occupied, as the Prime Minister has so fittingly said, a very great place in the world. He came to the throne, as we know, rather unexpectedly and his life has been one of devotion to duty. No man in our time has given a greater example of earnest and sincere devotion to duty than our king. It has been said of him by one of our great contemporary writers that our king asks nothing from any man which our king does not himself do. That, I think, fairly indicates the attitude of the sovereign during his reign. When he was stricken with illness it was because of his devotion to duty that he found himself in the condition in which he was; and one cannot but realize how great a position he has occupied in the constitutional life of our country when one observes what has transpired during the period of his illness.

I will not repeat what has been so well said, but I do associate myself with the observations of the Prime Minister as to the constitutional attitude of the sovereign with respect to every movement that has taken place to broaden, to expand and to extend the constitutional liberties of his people during his reign. We in this country are well aware just what that means.

It has been said by some that the sovereign plays but little part in the administration of the affairs of government. Those who know intimately the history of our times know that this is not quite accurate; the sovereign has played an ever-increasing rather than a diminishing part in the life of the country. His wisdom, his detachment, his impartiality have enabled him to speak with his ministers with an authority, and to give an assistance and advice, which could come, in the very nature of things, from no other source. The Canadian people have peculiar reasons to rejoice that one who knew their country so well and who has, with fortitude and patience, borne so serious an illness is now on the threshold, we trust, of permanent recovery. No calamity could be greater to the empire or to this Dominion than that the illness of the sovereign should have a fatal termination; and if there is one people that has reason to rejoice more than another it is the Canadian people—the people who inhabit this great Dominion. We are all agreed on that.

I desire to associate myself with what has been said by the Prime Minister with respect to the men of science who against great odds battled for the life of their patient. I suppose that the victory of science over death has never been more marked than in the case of the illness of our sovereign. All that experience could teach, all that research had made known to younger men, was made available, and the result has been a striking tribute to the ability of science to grapple with the powers of death in a manner never before known.

And there is one other to whom, I think, our hearts at this moment go out, one who,

in the opinion of those who were in constant attendance, the nurses and others waiting upon His Majesty, has played perhaps as great a part, in bringing about the present favourable condition of the sovereign, as any of his physicians. I refer to Her Majesty the Queen. With a fortitude and a courage of which we have a few similar examples in our history she has borne long vigils and cared incessantly for her husband; and as one of our great poets has said, she has discharged her duties as a wife, a mother and a queen in a manner that has merited the commendation and approval of all the people who live beneath our flag. For that, too, we are grateful, proud and happy, and realizing as we all do the weakness of human nature when assailed by the shafts of disease, we are proud to live in a country where men of science have been able to achieve such great things, and we are happy that the life of our sovereign has been spared. It is with extreme joy that upon the threshold of this new session of parliament we place on record our appreciation of the great service rendered to the empire and the world by our Sovereign Lord and King and the great part he has played in peace and in war in relation both to his own subjects and to people in far off lands. The interest with which they have followed the course of his illness has been the subject of much discussion throughout the world. Why was this so? It was not alone because of his position but because of the splendid example he had given of devotion and unselfish courage in the performance of the duties of his high office.

So in common with all the people beneath our flag it gives me very great pleasure indeed to associate myself with the motion of the Prime Minister that this parliament place on record its sincere and fervent hope that the life of the one who means so much to the world, and very much more to our empire, may be long spared, that he may rule over a loyal, devoted and contented people. That indeed is in accordance with the history and tradition of His Majesty's loyal opposition.

Mr. ROBERT GARDINER (Acadia): I desire to take this opportunity of associating myself and my colleagues with the remarks of the Prime Minister and the leader of the opposition. We trust that His Majesty the King is on the road to recovery and that soon he will be so far recovered as to be able to take his accustomed place and perform the duties which attach themselves to his great office.

Mr. JOHN EVANS (Rosetown): On behalf of the group which I represent I wish also to extend our sympathy to His Majesty the King because of his long illness. He has endeared himself to all his subjects by the keen interest he has always taken in their welfare, and we sincerely hope for his speedy recovery.

Motion agreed to.

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

That the said address be engrossed.

Motion agreed to.

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

That a message be sent to the Senate informing their honours that this house has passed an address to His Most Excellent Majesty the King expressing the thankfulness and rejoicing of the people of Canada on the promise of complete recovery of His Majesty and requesting their honours to unite with this house in the said address hereto attached, and that the clerk of the house do carry such message to the Senate.

Motion agreed to.

SELECT STANDING COMMITTEES

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

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the select standing committees of this house under standing order 63, said committee to be composed of Messrs. King (Kootenay), Forke, Casgrain, Hanson and Stewart (Leeds).

He said: This is the same committee we had last year.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Honourable W. R. Motherwell, Minister of Agriculture, the Honourable J. H. King, Minister of Pensions and National Health, the Honourable J. C. Elliott, Minister of Public Works, and the Honourable Fernand Rinfret, Secretary of State, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the revised statutes of Canada, 1927, intituled An Act respecting the House of Commons.

THE LATE MR. GOODISON

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, you have

drawn the attention of hon. members of this house to the vacancies which have arisen in its membership since the last session of parliament. Of the number, one has been occasioned by the hand of death. The constituency of West Lambton was represented in the last two sessions of this parliament and in the previous parliament by Mr. W. T. Goodison of Sarnia, Ontario. Mr. Goodison's place in the representation of that constituency is filled to-day by a new member who has just been introduced.

Before we enter upon the duties of the session it will be the wish of all present that some expression should be given to the loss which we have sustained in the death of the one who has been taken from our midst, and that to Mrs. Goodison and to her son and daughter there should go from this house an expression of the sympathy which, by all its members, is felt for them in their great bereavement.

It not infrequently happens, especially with men of unassuming and unobtrusive ways, that we come to know the extent of their public service and the degree to which their lives have become a part of the communities in which they live only when we witness the void which their passing creates. This was particularly true of our late friend, whose great modesty and retiring disposition served to conceal a wealth of service to a variety of interests that might well be the envy of any man in public life. Indeed, so much was this the case with Mr. Goodison that, with profit to ourselves, and honour to our parliament, we might well pause to consider how many-sided his activities were, and how deep-rooted were the associations which made him an integral part of the community in which he lived and which he served so well.

Mr. Goodison was born at Strathroy, Ontario, on February 18, 1878; he died on the 3rd of December of last year. In the brief period of little more than fifty years, he had come to be identified with most of the important interests of the community in which he lived, and of the constituency he represented in this parliament.

Most of Mr. Goodison's life was spent in Sarnia, the county town of West Lambton. Shortly after graduating as a barrister from Osgoode Hall, Toronto, he became the president and manager of the John Goodison Thresher Company, Limited, an industry intimately associated with the manufacturing and agricultural interests of western Ontario. With the advancement of both those interests, the latter half of his life was closely identified. To the activities incidental to his interests as an industrialist he added many of the activities of an agriculturist. He was known as a successful farmer. He had a special interest in live stock, was the owner of a large stock farm and a racing stable. He was closely identified with the business and commercial life of Sarnia, and with its educational work. He was president of the Industrial Mortgage & Savings Association of Sarnia, a director of the Ontario Commercial Travellers Association, of the Sarnia chamber of commerce, and chairman of the Sarnia board of education, as well as chairman of its building committee. The present collegiate institute and technical school at Sarnia, one of the finest of its class in Ontario, is generally referred to as a monument to his breadth of vision and business acumen. He was not less closely associated with the work of the church to which he belonged.

There was something even finer about Mr. Goodison than this record of service and achievement, splendid as it is. It was the nature of the man himself. He was one of the most sincere, most upright and most lovable of men. There was nothing assertive or ostentatious about him, indeed he was the very embodiment of modesty and humility. As I heard an intimate personal friend say of him, "His simplicity of character was really alluring." It mattered little to what walk of life a man belonged, no one could long be associated with him in any pursuit without becoming conscious of a sympathy which helps to make all the world akin.

It is not a matter of surprise that one of so great experience, so wide a range of interests, and possessed of so sterling a character should have found his way into parliament, as the representative of the community with which his many activities were so intimately identified, and that in the brief period of his membership in this house, he should have won so completely the confidence of the men of his own party, and the good will and admiration of hon. members opposite.

Mr. Goodison was first returned to parliament at the general elections of 1925. He was again returned at the general elections which took place in the following year. His membership in the commons was, therefore, of little more than three years duration, but in that brief space of time he had come to be recognized as one who held a foremost position in the councils of the political party to which he belonged and in this parliament. I need not recount his endeavors here on behalf of his constituency and in the pursuance of the principles and policies he upheld. They are known to us all and have found more

than one enduring expression which will have a permanent association with his name. Had his life been spared, there is no doubt that he would very soon have attained the distinction of being an outstanding figure in the public life of our country.

We on this side, who knew Mr. Goodison best, and who have reason to remember his great loyalty and fidelity, have suffered an irreparable loss. When we recall his character and his ability, and that he was little more than fifty years of age at the time of his death, we may, I think, say that the loss to our parliament and to our country is also irreparable.

May I be permitted a further word in conclusion, and in this address myself more particularly to the hon. leader of the opposition and the gentlemen who sit around him. We believe that the avoidance of a contest in West Lambton in the filling of the vacancy which was occasioned by Mr. Goodison's death was the outcome of a very natural desire on the part of members of all political parties in West Lambton to pay some tribute of great respect to the memory of one who held so strong a place in their affections as well as in their regard, and that the avoidance of a political contest seemed to them, in the circumstances, a fitting tribute to pay. We recognize that even the wish of the constituency in this particular might not have been realized without some degree of acquiescence on the part of my hon. friend. Believing this to be true, may I say to hon. gentlemen opposite that their chivalrous attitude in this regard is deeply appreciated by those of us who have suffered most, and constitutes a tribute on the part of this House of Commons to the memory of him who has gone, far more eloquent than any eulogy it would be possible to express in words.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, the span of human life at best is brief, and it does seem that at the beginning of every session there is some sad circumstance to remind us of that brevity of human life and the futility of human effort.

Mr. Goodison was much better known to those who sit opposite than to those who surround me. It was my privilege to sit with him upon a committee where men's passions were at times displayed, and where feelings were not always of the kindest. I should like to bear this tribute to him: that even when the provocation seemed greatest he endeavored always to be fair. His sense of justice was great. He desired impartiality so far as a man who is a loyal supporter of his party might be impartial in the discharge of the onerous duties which devolved upon him as a member of that committee. He did his duty as he saw it and he did it faithfully and honestly and well. Those of us who knew him by reason of that association came closer in contact with him, perhaps, than those who only knew him as a member of this house.

His history is the history of a typical, industrious Canadian who not only had trained himself for a position at the bar, but, by reason of his family connection, had became associated with a great industrial enterprise. In that industrial life he became a master. His enterprise occupied a great place amongst those manufacturing farm implements, and he was justly proud of it. He was proud of its history and its achievement, and prouder still of the quality of the goods it produced and the ability to sell its product, because of its merit, in competition with the world.

Reference has been made by the Prime Minister to Mr. Goodison's position in his community, wherein he held the respect and the esteem and, one might not exaggerate by saying the affection of the people among whom he lived. It is not always that the great captains of industry are able to win the affection and esteem of the people in their own community. Such, however, was the position of Mr. Goodison.

He has been called by death. He has left behind him a record of willing, useful service to his country and devotion to his business. In the discharge of his duty, as he saw it, associated with one of the great political parties of this country, his allegiance to that party was not so strong or so loyal that he might not see at times causes for criticism or just observations with respect to what the policies might ultimately lead to. We who knew him know that this house has lost a distinguished member, a great Canadian, a man of industry, a man of perseverance, but, above all, as the Prime Minister has said, a man of character, and that which will endure is not the recollection of the benefits that came to his fellow citizens in the community in which he lived because of his courage and enterprise in business, because of the position he held, but the example of his character to younger men and women, which will long survive the memory of any services he may have given in the circumstances to which allusion has been made. That character will be of some influence to guide others in their careers, and the memory of it will be precious not only to the members of this house but to his family and those who come after him.

We desire to associate ourselves with the observations of the Prime Minister in extending to the bereaved wife and the stricken family our very sincere and lasting sympathy, believing they will find some solace in the fact that their great loss will be to us, not so great a loss, it is true, but a loss that will not easily be forgotten. His memory will be precious to the members of this house who were intimately associated with him in the discharge of their legislative duties.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, in Mr. Goodison's death this house has lost a very valuable member. I did not have the privilege of knowing him prior to his entry into this house, but later I learned to know him very well and I sympathize with his bereaved wife and family. I feel that in his death I have lost a personal friend, and our group wish to be associated with the remarks of the Prime Minister and the leader of the opposition.

On motion of Mr. Mackenzie King the house adjourned at 4.40 p.m.

Friday, February 8, 1929

The house met at three o'clock.

NATURAL RESOURCES—WESTERN PROVINCES

CORRESPONDENCE TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend the leader of the opposition (Mr. Bennett) asked yesterday for correspondence in relation to the transfer of their natural resources to the western provinces. I beg to lay on the table the papers referring to the transfer of the natural resources of the province of Manitoba; also a copy of the correspondence relating to the transfer of the natural resources of the province of Saskatchewan, and a copy of the correspondence with respect to the transfer of the natural resources of the province of Alberta. I would like to say to my hon. friend, with respect to the correspondence between our government and the Alberta government, that there are two or three telegrams which were personal and confidential. I will send them to my hon. friend, and if, after reading them, he thinks that it would serve any useful purpose to have them made public at this time, the government will have no objection; but I think he may feel that they should be kept private for the present.

[Mr. Bennett.]

Hon. R. B. BENNETT (Leader of the Opposition): I think the Prime Minister might keep the telegrams. I prefer not to see them at the moment. I accept his view that it might not be in the public interest to have them made public at the present time.

Mr. MACKENZIE KING: I did not understand my hon. friend's request yesterday to cover papers respecting the railway lands and the lands in the Peace river block in British Columbia, but no doubt he must wish to see the correspondence respecting these lands as well.

Mr. BENNETT: I should be greatly obliged.

Mr. MACKENZIE KING: I now lay the correspondence on the table.

INTERNATIONAL PEACE

MULTILATERAL TREATY FOR THE RENUNCIATION OF WAR

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table a copy of the general treaty for the renunciation of war, signed at Paris, on the 27th of August, 1928.

I beg to move:

That 1,000 copies in English and 500 copies in French of the general treaty for the renunciation of war, signed at Paris on the 27th of August, 1928, and tabled to-day, be printed forthwith, and that standing order 64 be suspended in relation thereto.

Mr. SPEAKER: By unanimous consent.

Motion agreed to.

PRESERVATION OF NIAGARA FALLS

CONVENTION WITH UNITED STATES TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table copy of the convention and protocol between Canada and the United States for the preservation of Niagara Falls by the construction of remedial works and for the experimental withdrawal of additional water, signed at Ottawa, on the 2nd day of January, 1929.

I beg to move:

That 1,000 copies in English and 500 copies in French of the convention and protocol for the preservation of Niagara Falls, signed at Ottawa on January 2, 1929, and tabled this day, be printed forthwith, and that standing order 64 be suspended in relation thereto.

Mr. SPEAKER: By unanimous consent.

Motion agreed to.

CANADA—BULGARIA TREATY

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table a copy of the minute of council approving and confirming an agreement entered into in London between the government of the Dominion of Canada and the government of the Kingdom of Bulgaria, pursuant to the terms of the treaty between the allied and associated powers and Bulgaria signed at Neuilly-sur-Seine on November 27, 1919.

THE LATE HON. R. F. PRESTON

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, only yesterday this House of Commons gave expression to its sense of loss at the death of an hon member who had been taken from us since the last session of parliament. To-day we have again to express like feelings with respect to another vacancy which has been created by the hand of death.

Yesterday our words had reference to one who sat on this side of the house and who was a lifelong member of the Liberal party; to-day in the passing of Dr. R. F. Preston, the member for Lanark, we mourn in common with hon. gentlemen opposite the loss of one who sat on the opposite side and who was a lifelong member of the Conservative party.

Dr. Preston was in his sixty-ninth year. Few men have, in the course of their lives, devoted themselves more completely to public service. He entered the House of Commons at a by-election in the constituency of Lanark in 1922. He was returned at the general elections of 1925 and of 1926. Prior to his entry into federal politics he had taken an active part in the politics of the province of Ontario, having entered many contests in both the federal and provincial arenas. He was returned to the provincial legislature on no less than five different occasions. While a member of the provincial legislature, his ability and services were recognized through his selection as the whip of his party, and by his appointment as minister without portfolio in the administrations of Sir James Whitney and Sir William Hearst. At an earlier age Dr. Preston had been scarcely less active in municipal politics, having filled respectively the positions of reeve and warden of the county. He was the first mayor of Carleton Place after its incorporation and was elected to that office on three occasions.

Dr. Preston was an able physician and an honoured member of his profession. Yesterday reference was made in this house to the great services rendered to sufferers by the members of the medical profession. Today we are reminded of the attendant risks which often wait upon their service. I believe it is true that it was in the faithful discharge of his professional duties that Dr. Preston contracted the cold which later developed into an illness which proved to be fatal.

On behalf of the members of the government and all who sit on this side of the house, may I extend to my hon. friend the leader of the opposition, and to those who sit around him, our sincere sympathy in the loss they have sustained of one who was foremost in the councils of the Conservative party and one of its recognized leaders in the province of Ontario. And may I also express, on behalf of the House of Commons as a whole, its sense of loss in the passing of one who was held in high regard and esteem by members of all parties.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, we who sit to your left are deeply grateful to the right hon. Prime Minister for the very moving terms in which he has referred to the death of one of our number.

Dr. Preston had a very varied career; it has been fittingly referred to by the right hon. Prime Minister. He was not only interested in public affairs in his county, in the legislature and in parliament, but he continued to practise his profession and to meet the onerous demands made upon him by the community in which he lived. It is now over half a century since Dr. Preston graduated from Queen's university. For a short time he carried on his profession with his brother, then moved to the Ottawa valley, and it is now nearly fifty years since he began to practise in Carleton Place. I recollect a conversation which I had with Dr. Preston not more than a few months ago extending over several hours, in the course of which he discussed the great advances in medical science during the last twenty-five or thirty years. I could not but think that he was almost the last of that great number of useful servants whom we call family physicians, of whom Ian Maclaren wrote so beautifully in Beside the Bonnie Brier Bush, and, as I walked to the chamber this morning I thought of a few observations made by the author in respect to the heroic Dr. MacLure. I turned up one sentence in particular that I think well expresses the life of Dr. Preston in his county:

> There were no specialists in Drumtochty, so this man had to do everything as best he could and as quickly. He was chest doctor and doctor for every other organ as well; he was accoucheur and surgeon; he was oculist and aurist; he was dentist and chloroformist besides being chemist and druggist.

As I listened to the tale of the early days of the medical practitioner in Lanark county, I felt how similar it was to the career of Dr. MacLure. The life of the medical practitioner has been greatly changed in these modern times, but there are those at whose birth Dr. Preston had been present who still looked upon him as the physician whom they must call to attend them, and so he journeyed to remote sections of the county, although in these days it was far more easily done than in the early days of his manhood. It is quite clear, as the Prime Minister has said, while undertaking one of those journeys in the early part of this year he contracted a cold which terminated fatally. Such was his devotion to duty. But physicians perhaps more than any other people in the world are given to devotion to duty. In the pioneer days of this country they performed a service of which we have no record, but its value is incalculable.

Dr. Preston will be greatly missed in the county where he lived so long. There were at least two generations who knew him well. In his death they have lost a great and personal friend, a man whose kindly word and warm sympathy did almost as much to assist nature in her curative processes as did the medicines that were prescribed. We on this side have lost a wise, sagacious counsellor, one who knew much of the province of Ontario, who was trusted by Sir James Whitney as few men are trusted—he discussed with him the most intimate matters connected with his leadership—and one who had a fund of knowledge upon which we on this side could draw in matters affecting his native province.

His place will not easily be filled, but he has left behind him a memory of which any man might well be proud. I have talked with the younger men and women and with those of middle age in the county of Lanark, and the warm affection they expressed for Dr. Preston made me think that after all there is something in the struggle of life that is worth while, when such enduring friendships are made. We on this side are under a singular debt of gratitude to him, because he happened at an opportune moment to be present when an accident befell another of our members, and but for his timely intervention I doubt whether anything would have prevented that accident from having had fatal results.

As I was thinking of him to-day, I could not conceive of any happier terms in which I might express the thought which is in the minds of the older men and women of Lanark, as well as of some of the younger men and women, than the thought to which Ian Maclaren gave expression after MacLure had fought the great battle of death for Saunders. The London practitioner was of opinion that in the fight with death Doctor MacLure would be unsuccessful, but he fought the fight and won. But he himself contracted—not just then but a little later—that illness that brought his own life to a close. As he lay dying he turned to his friend and asked him to say a word of prayer. So Drumsheugh knelt and prayed with many pauses:

"Almichty God. . . dinna be hard on Weelum MacLure, for he's no been hard wi' onybody in Drumtochty. . . Be kind tae him as he's been tae us a' for forty year. . . We're a' sinners afore Thee. . . Forgive him what he's dune wrang, an' dinna cuist it up tae him. . . Mind the fouk he's helpit. . . the weemen an' bairnies. . . an' gie him a welcome hame, for he's sair needin't after a' his wark. . . Amen."

Mr. JOHN EVANS (Rosetown): We in this corner associate ourselves with the sentiments expressed by the Prime Minister (Mr. Mackenzie King) and the leader of the Opposition (Mr. Bennett) regarding our departed brother. The re-assembling of parliament each year serves to solemnify the public side of life; it reminds us that what we have to do we had better do while we have the opportunity. Dr. Preston was one of the kindliest of men, and while our views were often extremely divergent regarding political affairs, we learned to look upon him as a friend. With the rest of the house we shall, I am sure, miss his kindly face.

IMMIGRANTS AT TORONTO

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I wish to ask the Minister of Labour (Mr. Heenan) a question. Is he aware that recently there have been imported from Germany a large number of immigrants who have taken the place of Canadian workmen in the city of Toronto? If so, what action has been taken in the matter by the Department of Labour?

Hon. PETER HEENAN (Minister of Labour): I have had conferences with committees representing, respectively, the management and the men, and only this morning they arrived at a basis of settlement of the dispute. For the present I would suggest, in the interests of a settlement, that we ought not to discuss the matter further.

ST. LAWRENCE WATERWAY

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): Is the Prime Minister (Mr. Mackenzie King)

prepared to give us an assurance that before any permit is issued for the development of canalization of the St. Lawrence river the house will have an opportunity of discussing the subject?

Mr. SPEAKER: Questions of this nature should be preceded by notice.

Mr. HEAPS: I trust the Prime Minister will accept this as notice.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY, MOVED BY MR. T. M. CAYLEY AND SECONDED BY MR. C. E. FERLAND

The house proceeded to the consideration of the speech delivered by His Excellency the Governor General at the opening of the session.

Mr. T. M. CAYLEY (South Oxford): Mr. Speaker, on rising to move the address in reply to the speech from the throne, permit me first to make reference to the one matter that has been uppermost in the hearts and minds of all British subjects—I refer to the recent illness of His Majesty, our beloved sovereign, King George V. Not alone throughout the length and breadth of the great empire was concern manifest and interest shown, but wherever altar fires are kindled, irrespective of race, creed or language, prayers were made that he might be spared to his people —to be their sovereign for many years to come. The recent trying experience of His Majesty, and the anxiety it caused in the hearts of his subjects, has served to emphasize the important place he now occupies as head of a great commonwealth of nations, and as an important factor in strengthening those bonds of a common allegiance to the crown. The empire is justly proud and rejoices in the splendid response made by the Prince of Wales, on this occasion of his father's illness, to the new duties and responsibilities that have been suddenly placed upon him.

The county of Oxford was honoured in the late fall of last year by a visit from His Excellency, Viscount Willingdon, the Governor General of Canada. His presence in Oxford, his kind and gracious manner, his keen interest in all that pertains to the welfare of that splendid county won for him the hearts of its people. Their hope is that he will find time in the near future to pay their county another visit and that on that occasion they will have the pleasure of welcoming, with him, Her Excellency, Viscountess Willingdon.

My constituency of South Oxford has been highly honoured in the selection of its representative to undertake this important and time-honoured duty at the opening of parliament. I wish to convey to the Prime Minister and his government its appreciation of the courtesy thus shown.

Since the last session of parliament the Prime Minister has paid a visit to the motherland and to the continent. On his return "from wandering on a foreign strand" he expressed his love for and pride in Canada in these words, "Canada is the happiest of all lands." The Prime Minister in these words expressed his love and devotion to the country of his birth, and likewise faith and confidence in her future, the same love, confidence and faith that prompted to united action the Canadians of "sixty-seven."

The Prime Minister did honour to his native land during his sojourn in Europe, both at Paris and at Geneva. At the former capital he gave expression to the nation's desire that war should give way to peace, that international differences should be settled by sane and wise means, and that the great curse of the ages should be abolished. It was an historical event and marks a long forward step in the settlement of international problems. It is also manifest from the signing of the Kellogg pact that the British commonwealth, each unit for itself and for all the empire, is heart and soul for the cause of peace.

At Geneva, the Prime Minister and his colleagues made no small contribution to the deliberations and influence of the League of Nations. He was honoured with a vice-presidency of the assembly of the league. This is a well deserved honour to Canada, as likewise it is to the Prime Minister as a recognition, well deserved, of that prominent Canadian's efforts in behalf of world peace and understanding.

It is but fair to admit that the Prime Minister, both at the Imperial conference of 1926 and at Paris and Geneva in 1928, demonstrated thoroughgoing Canadianism and did much to increase the standing of his country and place her in a position that commands the respect and attention of the world.

The late Sir Wilfrid Laurier, with that confidence that characterized Canadian statesmen from the beginning was a true prophet when he stated that the twentieth century belonged to Canada. The voices of the criers of ruin have died out, enthusiasm and a new spirit pervades our people, a spirit of pride and achievement of great things. The Prince of Wales said some months ago:

> Canada is on the threshold of one of the most astonishing eras of expansion and development that the world has ever known.

That is a fairly strong expression, but as yet not an over-stated one.

Let me also quote from that Great British statesman, Sir Austen Chamberlain, British Secretary of State, who while speaking to the Canadian Club at Ottawa in November used words which should cause every Canadian to glow with pride:

I have seen a great nation to the formation of which two great nations gave their best. I have seen a nation rich already in historic tradition, the early chapters of whose story are as full of romance as any novel of Sir Walter Scott's. I have seen the immense development of recent years and can foresee the still greater development which awaits you. I have never been far from the international boundary line which needs no guards, for the good sense and the good feeling of the nations on either side of it are their mutual security. I have seen Canada side by side with this great and friendly kindred nation, yet the guardian of her own soul, true to her own traditions, making her own laws and forming her own society. There lies in front of you a future beyond any dreams one can form to-day. Continue to be your own selves and while you develop your own freedom, help us to guard the unity of the empire.

Since the last session of parliament Canada has been honoured by a visit from the members of the inter-parliamentary union which met last year in Ottawa. At this conference many matters were dealt with that were of interest to the empire, but the one question of paramount importance and interest was how the great commonwealth could be drawn together as an economic unit. Since that meeting some things have occurred which make it all the more important that this great Imperial hook-up should be instituted. Canada has always exhibited an active and practical interest in the development of inter-empire trade by granting British preferences and by her immigration policy, and the latest gesture was a Christmas box in the form of imperial penny postage. The Empire Marketing Board, towards the support of which the British government grants $5,000,000 annually, urges by advertising the purchase of empire goods. By this means the United Kingdom is increasing the patronage of empire countries. In 1924 it bought goods from the empire to the value of $1,930,000,000; in 1927 this had increased to $2,100,000,000, and 1928 will show a new high record. The experiment of the Empire Marketing Board has shown what can be done if energy is efficiently and intelligently applied. The British commonwealth is potentially a market and an economic unit beside which anything else is dwarfed. Canadians view with pride and satisfaction the steps taken by the government during the past few months to improve the arrangements for direct personal contact in the discussion of inter-imperial and foreign affairs. The Dominion's wonderful growth in world trade and commerce—a record unequalled by any nation of equal population—has made this step highly important. It is hoped that thus the unity of the empire may be strengthened and Canadian interests abroad and within the empire better served. Since the last session there has arrived in Ottawa the High Commissioner for His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland; the Japanese legation was established in July; the French legation in November; a Canadian legation was recently established in Paris, and at an early day a Canadian legation will be opened in the capital of Japan. Canada gives these representatives of other nations a cordial welcome to her capital.

Many comments are heard these days on Canada's prosperity. Among the most striking comments is the following statement:

Our forests are producing to-day wealth beyond anything we dreamed of; our mines are the richest in the world; power is our second greatest industry; our trade, railway traffic, bank deposits, revenues, insurance policies, everything that denotes expansion and prosperity, both of the state and the individual, have grown with bewildering speed.

And further it has this to say:

The employment situation in Canada is officially reported to be decidedly more favourable than for eight years.

Every year sees new markets opened to Canadian products, the very limited number at the time of confederation having now increased to well over a hundred. The report of the trade of Canada for the fiscal year ending March 31, 1928, contains some very interesting information. Canada now occupies fifth place among the nations of the world in imports, in exports and in aggregate trade, being surpassed only by the United States, the United Kingdom, France and Germany. The great seaports of Canada—Montreal, Vancouver, Halifax, St. John, Quebec—the busy highways, the great transportation systems, the lake and canal trade, all reflect this important advance.

The report of Canada's trade for the year ending March 31, 1928, again reveals the astonishing prosperity and absorbing power of the country. For 1928 the Dominion's trade reached the new high peak of $2,596,448,000, as compared with $2,325,782,000 in 1927, $2,291,939,000 in 1926, and $2,173,098,000, in 1925. This means a gain of nearly half a billion dollars in four years. The policy of the government in developing trade throughout the

world, the energetic Canadian people and the wonderful resources of the Dominion are all instrumental in creating the enviable position now enjoyed by Canada. Of the total trade the exports amounted to $1,384,130,197, and the imports to $1,222,317,916, the exports exceeding the imports by $151,852,281. Canadians will view with satisfaction the intention of the government to construct national research laboratories to provide scientific and technical knowledge to the various branches of production, the extension of trade facilities and information and the appointment of additional trade commissioners, all of which are highly necessary and important if our prosperity and expansion are to continue as in the past.

There is great satisfaction in the assurance of the Minister of Trade and Commerce (Mr. Malcolm) that out of the aggregate investment of $16,000,000,000 in the Dominion only one-third is foreign owned. It has been stated many times in this country and in Great Britain that the United States is gaining economic control of Canada. But the Minister of Trade and Commerce takes a thoroughly optimistic view of the situation. He points out that capital is usually followed by its owners into the country of investment and that eventually the capital is nationalized along with the nationalization of its owner.

Two factors have contributed largely to the readiness with which United States money is placed in the Dominion; the fertile fields of natural resources and the advantages of the British preference. The former are building up wealth for the investors, much of which may find further investment here, and the British preference is a magnet which has led to the establishment of numerous branch factories. For this Canada has reason to be grateful to Sir Wilfrid Laurier, who inaugurated the preference plan, and to the party which has continued this policy. The result is that industrial development is rapidly making the country economically self-sustaining. The fact that two-thirds of all the investments in Canada are owned by Canadians and other British people is something to consider with real satisfaction.

The present levels of Canadian securities and the dividends paid show how investments made in past years have brought substantial returns. In the last quarter of a century the productive capacity of industries has increased from $400,000,000 to $3,500,000,000. The Minister of the Interior (Mr. Stewart) recently issued a statement showing the relation between the mineral industries and water-power, in which two significant general points are brought out. One is that in addition to the ore reserves that have already been blocked out and the discoveries that have been made but not fully proved by mining operations, there is an area of more than 3,000,000 square miles, being 80 per cent of the total area of the Dominion, forming a prospective mineral field. The other is the extent of the water-power resources of the Dominion. Those at present recorded will permit of a turbine installation of about 43,000,000 horse-power, the present turbine installation representing only a little more than 11 per cent of the recorded water-power resources.

The Dominion has already established itself among the foremost mining countries of the world. Its mineral production in 1900 was valued at $64,000,000; in 1927 at $245,000,000; in 1928 at $260,000,000. Ninety per cent of the world's nickel, 76 per cent of its asbestos and 55 per cent of its cobalt comes from Canada, which also ranks third in production of gold and silver. Yet 80 per cent of the total area of the country is a prospective mineral field not exploited. Much of the available water-power is so situated as to facilitate mine development. To what extent it is helping in northern Ontario where coal is lacking is well known.

Canada's industrial future is assured with her great resources of unfailing and cheap power, with unlimited resources of valuable mineral in this metal age. She must go steadily forward. Sir William Clark in his address to the Montreal chamber of commerce made this interesting statement:

> In 1914 raw materials represented 63 per cent of Canada's total exports; in 1927 they represented only 46 per cent.

Continuing, he said:

> Capacity for cheap production is an essential pre-condition for successful competition in world trade. Of all factors in production, cheap power is perhaps the most essential—indeed where cheap power is available it pays to set up factories even if the raw material for manufacturing has to be imported from abroad.

Further on he states:

> Canada will remain a great agricultural country, but she is going to be a great manufacturing country too.

Looking over the whole ground, summing up what has been done so far, considering the prophecies of experts, everything indicates Canada's progressing with increasing acceleration and that the present year will hear the sound of the hammer as never before; for there must be supplied more public works, more elevators, more stores, more apartment houses, more railroads, and so forth. In 1929 we will see more grain grown, more fish caught, more water-power harnessed, more

pulp and paper produced and more goods exported and imported—but Canada ever growing into the happy position of improving home markets and multiplying foreign markets.

Not alone is Canada to be envied by the world at large for her rich farms, her fertile plains, her abundant resources of mine and forest, but every year in increasing numbers are visitors from other lands seeking our shores. They come to see the beauties of our mountains, our streams, and our lakes. In every province from coast to coast there is attraction and pleasure for the tourist. If the revenue derived from our tourist trade for 1928 is estimated at $300,000,000, it is plain that the future will see a steady growth along this line. With the passing years the lure of our great open spaces, our forest solitudes, and our rocky summits will draw more and more. We all remember the words of the present Premier of British Columbia—and we congratulate him on the high honour that his people have shown him—when he told us that his native province out by the western sea was larger than twenty-five Switzerlands and contained scenic grandeur of gorge and mountain peak unsurpassed by any other place in the world.

There are other aspects of the national life than material things that cannot be measured and weighed and estimated in currencies. Canada is building more churches to meet the growing population as it scatters farther afield. She is increasing and improving her educational facilities. Scientific research has resulted in notable discoveries and the improvement of social conditions. Invention, too, is daily adding to the comforts and happiness of every Canadian, and once more let me repeat the words of the Prime Minister, "Canada is the happiest of all lands". It is therefore with pleasure and honour that I move that an address be forwarded to His Excellency the Governor General to thank him for his gracious message.

Mr. CHARLES E. FERLAND (Joliette) (Translation): Mr. Speaker, in rising to second the motion for an address in reply to the speech from the throne, quite naturally my first thought is for His Most Excellent Majesty the King, whose recent illness was the cause of many anxious days to more than four hundred and fifty millions of his faithful and loyal subjects who, throughout the empire, have addressed to Heaven fervent prayers, already granted, and who, at the present stage of the miraculous convalescence, rejoice in being able to proclaim with enthusiasm: The King lives! Long live the King!

[Mr. Cayley.]

Mr. Speaker, after your splendid series of lectures on the political evolution of Canada, delivered before a distinguished Sorbonne audience, in the Ville-Lumière, where once again you upheld a reputation of pre-eminent culture: a strange mixture of Canadian traditions, French clearness and British aspirations, of antique reminiscences of Rome, Athens and classical perfection, I rejoice in being privileged for a moment in interpreting the general feeling in order to unite my voice with that of the European press, in this chorus of praise, congratulations and admiration to which your presence has given rise everywhere in France and England. Allow me further to tell you how happy I feel to meet again my professor of International Law at the University of Montreal, occupying always with tact, dignity and impartiality the Speaker's Chair of the House of Commons.

It is with a deep feeling of gratitude that I wish to express my everlasting appreciation to the right hon. the Prime Minister and his hon. colleagues for having doubly honoured the constituency of Joliette by calling to the highest office of Humanity—the bench—its ex-member, my law partner during twelve years, the hon. Justice Jean Denis, of the Superior Court of the Province of Quebec, and as a great privilege, by extending to me the honour of delivering the traditional French reply to the speech from the throne.

Mr. Speaker, traditions, custom and practice which the Alma Mater of parliaments has bequeathed to us from times immemorial, authorizes me to say a few words with reference to the constituency of Joliette which I have the honour of representing in this house, and towards which I have contracted a debt of gratitude that I shall never be able to repay in full, even with the government's assistance. The centre of an important judiciary district, which comprises the counties of Joliette, Berthier, Montcalm and Assomption, where legal lights make up one of the most outstanding sections of the Quebec Bar, this electoral division has for its chief town Joliette, "Jolie comme une urne de fleurs remplie" according to the writer who has sung its praise; a town of 10,000 inhabitants, prosperous in all its industrial and trade activities, an agricultural centre surrounded with a luxuriant countryside and sturdy farmers, wholly absorbed in their calling, through their clinging to the soil and their cult of ancestral traditions.

There, however, hangs a shadow over the painting, Mr. Speaker, and if I were allowed

to plead pro domo, I would request the re-establishment and maintenance in Joliette of the National Railway shops.

It is an axiom, sir, that nations beget governments which they deserve. I therefore, wish to congratulate the Canadian people on having at the head of the executive as Prime Minister, a champion of our constitutional liberties, a veteran of Canadian politics, a statesman who, owing to his prestige, the magnetism of his eloquence, the charm of his striking personality, engrossed by a clear knowledge of men and things, which he owes to his putting into practice those broad principles of political economy taught by himself in his remarkable treatises: "Industry and Humanity," has been able to direct with credit, in its progress towards a glorious prosperity, the greatest of the British dominions which under his leadership is now ranked as the fifth commercial power of the world. A man of ideals and action, ever trusting in the destinies of his country which he directs with wisdom and a firm hand, the right hon. Prime Minister has been able to inspire all with the same confidence—a precious gift in a leader—by surrounding himself in the cabinet with men of ability, of weight and of the widest influence and outstanding talents in this Dominion.

Mr. Speaker, the great doctrine of Canadian autonomy so brilliantly expounded by the right hon. Prime Minister (Mr. Mackenzie King) and the hon. Minister of Justice (Mr. Lapointe) at the Imperial Conference of 1926 which has given Canada a new status of liberty and autonomy, has already been realized, and we read with some national pride, in the speech from the throne, that the present government has established diplomatic relations with four great powers which dominate the Atlantic and Pacific: to the east, France; to the west, Japan; the United States, our wealthy neighbours to the south, and the United Kingdom of Great Britain and the north of Ireland, with whom we have common interests of the greatest import.

Has not the colony of yesterday become a nation in the concert of the great powers of the world and are not great nations represented by ambassadors?

The few acres of snow disdained by the ironical Voltaire of France under Louis XV, have become a beautiful country of freedom, progress and civilization, already well recognized by France of this day whose glory ever since the Marne and Verdun, those "highlights of history," illuminates the world; and it is a ray of this glory that brings us, together with France's brotherly embrace, the eminent diplomat, His Excellency the French plenipotentiary minister, Jean Knight.

In welcoming to Canada, the Hon. Sir William Clark, High Commissioner of His Majesty's government in the United Kingdom, and the hon. diplomatic representatives of the United States and Japan, and in addressing my very best wishes of success and happiness to the Hon. Peter Larkin, High Commissioner for Canada, in London, and also to their excellencies the plenipotentiary ministers of Canada, the Hon. Philippe Roy to Paris, the Hon. Vincent Massey, to the United States, and the Hon. Herbert Marler, to Japan, I am pleased to acknowledge that the Canadian government, following the example of the governments of those countries, could not make a more judicious choice nor find better qualified and deserving men than those high dignitaries of this state.

It is, sir, this diplomatic intercourse between nations which has in these latter days, enabled the right hon. Prime Minister to journey to Paris in order to have Canada—a powerful contributor to the League of Nations—participate in the many-sided treaty Briand-Kellogg, which affords a guarantee of universal peace and a tie of friendship and mutual sympathy among nations. Let me express the ardent wish that this parliament will approve with enthusiasm and unanimously this treaty destined to outlaw war and which henceforth I shall designate as the King-Briand-Kellogg treaty.

The notable statements contained in the speech from the throne describing all the activities of the Canadian people in every sphere of life and bearing witness to a prosperity ever increasing, is of a nature to reassure the people's anxiety and restore their confidence. The year 1928 has seen the crowning of these sixty years of progress—at times temporarily paralyzed by crises without much consequences—that the Canadian people celebrated with so much pomp during the patriotic festivities of the Diamond Jubilee of Confederation.

For the first time, the wheat crop exceeds half a billion bushels, while other crops as a whole have been bountiful. I further note with pleasure in the speech from the throne that the government will submit to parliament, as a measure of relief to agriculture, its plan for the carrying out of the provisions contained in the rural credit act.

Helping the fundamental industry of agriculture while the work on the sub-soil, that is the mines, is rapidly developing, is not that

favouring the whole nation at a time when trade and industry have reached figures yet unknown in the history of this country? However, the government's program, judging from the speech from the throne, embraces all activities. Extending their protection to the Canadian fisheries; establishing national laboratories of scientific and technical research for the advancement of industry and production; victoriously invading foreign markets by broadening our international relations; appointing new trade commissioners in the various countries where already twenty four Canadian trade commissioners have substantially contributed to spread in the markets of the world Canadian products that are everywhere to be seen over the counters of the western hemisphere and even in the remote bazaars of the east; allowing the people to benefit by great inventions of the century, by establishing an aerial service for the transport of mails; planning also to regulate the marvellous means of broadcasting by radio thus bringing together nations and individuals most remote and finally creating a pension fund to assist the families of those faithful servants of the nation, the employees of the national railways, these, sir, are so many measures reflecting credit upon the King government and which will further enhance the welfare of the Canadian people, happy and thrifty to the extent of carrying life insurances for the fabulous amount of $5,500,000,000.

Mr. Speaker, if we travel through Canada, from the Atlantic to the Pacific, not by this great national route, the Transcontinental, but by a rapid glance penetrating everywhere, we cannot tire of admiring its greatness, beauties and progress. From Quebec "the French sanctuary" as far as Victoria "this vista of old England"; from Vancouver, the "New York of the Pacific" to those happy towns of the maritime provinces whose grievances have already been settled; from Montreal, the greatest financial centre of Canada, the bilingual metropolis which, with its dual races, dual industries, dual news press, two universities, absorbs what is best in the civilizations of London and Paris, in order to reach the highest degree of moral perfection both social and economic, as far as Toronto, her rival, the "Queen City"; from Edmonton, the gate of the northwest; Calgary "the city of mirages",—no allusion being meant to the ideals of the distinguished leader of His Majesty's opposition; Regina, the heart of the Great Prairies, and Winnipeg, the "wheat city", as far as Ottawa, the capital of the most beautiful country in the world, everywhere the banks, barometers of trade and industry, reflect the general prosperity, overflow with the deposits of the people's savings, and, as an indication of good times, increase with confidence the volume of commercial accounts; everywhere, in this vast empire of wheat and forests reigns the "entente cordiale", an atmosphere of harmony between the races, a union of friendship and concord between capital and labour, and hope more than ever shines with greater splendour in the belief that this is Canada's century.

It is imbued with these sentiments, Mr. Speaker, that I have the pleasure of seconding the motion of the hon. member for South Oxford (Mr. Cayley) in support of an address in reply to the speech from the throne.

[Mr. Ferland.]

Mr. BENNETT: As the house will not be in session this evening, in accordance with an arrangement with the Prime Minister, I move the adjournment of the debate.

Motion agreed to.

On motion of Mr. Mackenzie King the house adjourned at 4.07 p.m.

Monday, February 11, 1929

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

GRAND TRUNK ACT, 1906-7 AMENDMENT PENSION FUND

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 2, to amend the Grand Trunk Act, 1906-7, with respect to pensions.

Motion agreed to and bill read the first time.

INTERCOLONIAL AND P.E.I. RAILWAYS—EMPLOYEES' PROVIDENT FUND ACT AMENDMENT

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 3, to further amend the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act.

Motion agreed to and bill read the first time.

OPIUM AND NARCOTIC DRUG ACT

Hon. J. H. KING (Minister of Pensions and National Health) moved for leave to introduce Bill No. 4, to amend and consolidate the Opium and Narcotic Drug Act.

Mr. GUTHRIE: Explain.

Mr. KING (Kootenay): We have been advised by the Justice department that the present act should be amended and consolidated.

Motion agreed to and bill read the first time.

ROOT VEGETABLES ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved for leave to introduce Bill No. 5, to amend the Root Vegetables Act.

Mr. GUTHRIE: Explain.

Mr. MOTHERWELL: This bill provides for the establishment of certain grades for vegetables and prescribes the size of containers and the handling of vegetables for export.

Motion agreed to and bill read the first time.

RAILWAY ACT AMENDMENT

INVESTIGATION OF SUBSIDIARY OF TELEPHONE OR TELEGRAPH COMPANIES

Mr. G. R. GEARY (South Toronto) moved for leave to introduce Bill No. 6, to amend the Railway Act (investigation of subsidiary of telephone or telegraph companies).

Mr. DUNNING: Explain.

Mr. GEARY: Mr. Speaker, this is a bill very much along the lines of the bill introduced by myself last session, providing that the Railway Act be so amended as to give the railway board jurisdiction on a rate inquiry to investigate not only the affairs of a company under its present jurisdiction, but also the affairs of a subsidiary of such company.

Motion agreed to and bill read the first time.

INTERNATIONAL PEACE

MULTILATERAL TREATY FOR THE RENUNCIATION OF WAR

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, in view of the fact that we have just received the general treaty for the renunciation of war, signed at Paris on August 27, 1928, I should like to ask the Prime Minister whether the government has notified the British government that Canada will sign the optional clause.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say to my hon. friend that something has been done. I shall be glad to inform him what it is later on.

GOVERNOR GENERAL'S SPEECH

DEBATE ON MOTION FOR ADDRESS IN REPLY

The house resumed from Friday, February 8, consideration of the motion of Mr. T. M. Cayley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, those of us who sit to your left join with the members of the government in congratulating the hon. gentlemen who moved and seconded the address in reply to the speech from the throne. They discharged that time honoured duty with satisfaction to their party and credit to themselves.

The reference in the address to the improved condition in the health of the sovereign has already been considered by this house in a formal way, and I am sure we all trust the day is not far distant when the entire British Empire may unite in general thanksgiving to Almighty God for having preserved to the peoples of the empire the life of their beloved sovereign.

The speech from the throne, apart from that, may indeed without exaggeration be said to be a document of glittering generalities; it is somewhat difficult to ascertain by a careful perusal of it just what definite legislative proposals the government may have in mind. It is rather a review of past conditions and an assumption of the role of Providence than an indication in any degree of what the government's legislative intentions are. I suppose, however, that in that regard the government may be excused; for their bill of fare—to quote the language of a former leader of the Liberal party—is undoubtedly very meagre. So far as we on this side of the house are concerned, we do not propose just now to trespass upon your time, Mr. Speaker, nor yet to encourage the people of the country to believe that we are here for the purpose of discussing abstract questions and problems. As long ago as 1878 Sir John Macdonald expressed this view, and his successor in leading the opposition, Mr. Mackenzie, also spoke in the same terms.

It is a well known fact, as those who are students of our parliamentary institutions will remember, that for a period of ten or eleven years at a stretch the debate on the address in reply to the speech from the throne was invariably terminated in a single day, and usually before six o'clock. If the speech means anything, it means that measures will be introduced and that these measures will be

discussed and debated by parliament; and any antecedent discussion of such measures, before they are brought down to the house, is but beating the air and wasting the taxpayers' money. There are times, of course, when large questions may have to be considered in relation to the speech from the throne; this was done, for instance, in the days of the late Sir Wilfrid Laurier and in the days of Sir Robert Borden. But unless the opposition proposes, for some great purpose, to move a vote of want of confidence in the administration—which is not our intention at this moment, inasmuch as amendments are limited, by our practice, to suggestions of what the speech should contain but does not —then indeed no good purpose may be served by such abstract discussions. I assure you, Mr. Speaker, we have no intention at the moment of moving an amendment to this speech from the throne; to do so would necessitate the entire recasting of that document, for if we indicated to the country the matters which should be dealt with but which are not, what would be left of the speech from the throne would be very meagre. There is so little in it. We will rather adopt, as far as we may, the practice which is approved by one writer in Great Britain, who has said that it is usual "to allow the address to pass without a division so that it may be, in point of fact, unanimous in respectful expression of deference when the house has received the first communication of the session from the sovereign to his representatives." That will be our attitude.

But, sir, one must make some few observations with respect to a document of this character. It is to be observed that the keynote of it is rejoicing at prosperity and the improved trade of the country. There is no member of this house who does not rejoice that Providence has given us great crops and that we have had a large measure of prosperity. But this I will say: I challenge my right hon. friend (Mr. Mackenzie King) to point to a single item in all the long record of our trade in which there has been any interference by this government, since it came into power in 1921, which has not brought a measure of disaster to the industry with which it has meddled. And when I say a measure of disaster I mean a lessening, a curtailment of the export business of that industry and an increase in imports of the products it manufactures. Whether you take butter or machinery, sugar or cotton, whether you take the legislation of last session or that of any other session: wherever the government has interfered you will find that there has been a diminution in the prosperity of that particular industry so far as Canada is concerned. It may be said, with respect to the implement business, that this is not so, because of certain conditions in connection with the expansion of the Canadian industry to the neighbouring republic. But if you will analyse it you will find, in connection with that industry alone, that there was an increase in imports in the last year of $15,000,000 from the neighbouring rebublic—imports of agricultural implements alone. In regard to butter, you will find that, before this government began to interfere with our dairy industry, this country was able to export some fifteen million pounds of butter per annum. But our importations during the last twelve months have gone up to sixteen million pounds, so that we are no longer an exporting community so far as this commodity is concerned. And the provincial Minister of Agriculture the other day in Alberta, pointed out that there had been a decrease in dairy herds in that province in the last few years of 60,000 cows. It matters not whether you take agriculture or industry, wherever this government has legislatively interfered it has been to the detriment of either agriculture or industry.

I would remind this government and the country that when we discuss the question of prosperity it is highly important and desirable that we ascertain just what is the basis of this country's prosperity. What is it? Is it its industry? It is not. The basis of Canada's prosperity at this moment is agriculture; whether you like it or not, sir, you will find, if you look at the returns, that the purchasing power of this country is derived from what we are able to sell. The increased purchasing power of Canada is represented in turn by what it is buying; we may buy at home or abroad, but so far as this increased purchasing power is concerned, it arises from what we have been able to sell. Consider for a moment what we have sold, what we are selling, where our purchasing power comes from, and you will observe that it does not come from any action on the part of this administration, nor yet from the acts of man himself; it comes rather from a beneficent Providence that has enabled us to reap very bountiful harvests in the last few years. The sales, for instance, of grain and grain products for the twelve months ending December 31 last amount to $558,000,000. When you recall that the sales of living animals—diminished though they have been—amounted to 17½ millions; cheese, 25 millions; fish, 35 millions; raw furs, 23 millions; hides and skins, 11½

millions; meats, 20 millions; milk and cream, 10 millions; vegetables, 7½ millions; tobacco, 2 millions; wool, 3 millions: when you recall these figures you begin to realize how large a part the agricultural industry of this country has played in providing the purchasing power of the people and thereby ensuring the prosperity to which I have referred. If we frankly recognize that fact we must also recognize the sales that have taken place of our forest and mineral products. From our forests alone, in lumber, we sold last year $93,000,000 worth of goods. In paper and pulp, in the lowest form in which wood may be manufactured so that it may be available for the finished product in other countries, we sold, of paper, $147,000,000 and, of pulp, $45,500,000. With respect to mines and minerals, we sold $173,000,000 of products. In other words, the purchasing power of the people has been provided by the sale of our agricultural products, by the sale of our forest products, and by the sale of our mineral products. And so far as our agricultural products are concerned, it will be observed that what we sold amounts practically to one-half of the whole of our purchasing power; for last year we sold $1,349,000,00 worth of goods. That was the sum total of our sales to the world. You will observe that practically one-half of that came from agricultural products. Then if you take the products of our forests and our mines, without going into details since this is not the occasion for so doing, it will be observed that you have nearly $1,300,000,000 from these sources, leaving a very small sum indeed to represent the exportable industrial products of this country. Then if you will turn to the other side of the picture you will observe that of the $1,222,000,000 worth of goods purchased by Canada during the past year, we bought goods to the value of $825,000,000 from the United States; in other words, with the purchasing power with which we were endowed through the industry of our farming population and through the richness of our farms, our forests, our fisheries and our mines, we sent $825,000,000 to the United States, which means that two-thirds of every dollar which went from Canada to buy goods last year went to the United States, although they bought from us goods to the extent of less than $500,000,000.

When my friend the mover of this address expatiated the other afternoon upon the marvels of the British preference I wondered if he had read the last figures of the trade returns. The total amount we were able to sell to the whole of the British Empire last year was about the same as the amount of goods we sold to the United States and it will be observed that the total, small though it was, was brought about by overcoming many difficulties in connection with the restrictions which have surrounded the operation of the preferential tariffs as we now have them administered by this government. I mention that because to me it seems reasonably certain that the government is labouring under an entire misapprehension as to the basis of our prosperity. When you see a steady increase in the amount of goods which we acquire from foreign countries and which might be made at home; when you see a constant increase in the labour given to people in other lands in order that they may supply us with goods; when you see the matte and the ore of copper and other metals sent from this country, fabricated into finished products by the labour of foreigners and sold here to our Canadian people; then you know, as I know, that this is a wrong condition which the Canadian people must remedy and, I am certain, will remedy at the earliest opportunity.

The basis of prosperity being as it is and the purchasing power of this country being as it is, before I conclude I hope to develop what I conceive to be the duty of the government under these circumstances and with the opportunity which lies before this government, a greater opportunity than ever was presented to any government under the light of the sun, because we live in an age when science has been able to make very great contributions to industry, and the opportunities of the Canadian people have become correspondingly greater by reason of the richness of our resources. There never was a time when there were greater opportunities for the development of a concrete policy of far-reaching importance, due to the rich agricultural, mineral and other resources of this country. My complaint, and I believe the complaint of the Canadian people, is that this government has been content to rest quietly and supinely and look upon this prosperity, which has been brought about by the wonderful productivity of our soil and the wonderful richness of our resources and say, "Behold, no improvement is possible" regardless of the fact that those who read history, those who follow the trend of events and those who read the message of Mr. Mellon in 1925, which was so pregnant with material for every thoughtful man, and those who read his message of a few days ago as well as the speech from the throne, will ask themselves what this government is doing to prepare for the day which must come when, with contracted trade and with lessening opportunities

we must meet conditions of a different kind from those which now present themselves for our consideration.

That is the complaint we make. After all, a government is not only administering the affairs of the day, but is trustee for the morrow. Whether they like it or not their actions and their conduct of the country's affairs are reflected in the morrow, and for that reason, considering conditions as they are and the figures to which I have alluded, and with the balance of trade as it is, this administration should take measures, and should have indicated in this document measures which should be taken, for the purpose of enabling us to meet a situation which every thoughtful man knows must come sooner or later in the very nature of things. It may be later; let us hope it may be, but the wise government is the one which makes provision for that situation which inevitably must arise.

For the moment that is all I have to say in this respect. In considering the speech from the throne I will adopt the course followed by my illustrious predecessors and merely deal with a few aspects which present themselves, but when we read the reference contained in the speech to the fisheries industry, for example, we are given food for thought. The fisheries industry has been very important in Canada. Last year we exported some $35,000,000 worth of fish, and a little over a year ago the government saw fit to appoint a royal commission for the purpose of making a report upon the whole industry, that commission being in part the result of the report made by the Duncan commission in connection with matters in the maritime provinces. The fishing industry is not limited to the eastern maritime provinces, of course; it is a very important industry on the west coast, and I ask the government why, after submitting this matter to a commission, they did not give effect to the recommendations of that commission. Looking at the last paragraph on the first page of the speech from the throne I find these words:

> In accordance with the recommendations of the royal commission on Fisheries, the Fisheries branch of the Department of Marine and Fisheries has been separated from the marine branch, and a deputy minister of Fisheries has been appointed.

I took the trouble to turn up that report and compare the recommendation with the statement contained in the speech from the throne. This is not an accurate statement of what that report says. The report, dated May 8, 1928, reads in part as follows:

> The fishing industry is territorially widespread on both the Atlantic and Pacific coasts, each area having difficulties that are dissimilar from those of the other. It is great in variety, in extent and value; it holds a very large place in the economic life of the country; and in all is phases it is beset with complex problems of administration. The industry may, therefore, justly claim to be of such importance as to require a separate ministry. Last year, parliament authorized the appointment of a deputy minister of fisheries. We found throughout the maritime provinces a widespread feeling not only in support of this action, but also in support of the establishment of a separate department of fisheries under a minister of fisheries, and we recommend the creation of such a department to the consideration of the government of Canada.

That is the recommendation; the speech from the throne says that in accordance with the recommendations of the royal commission a deputy minister has been appointed, but the deputy minister was appointed before the report was made, and this report made in 1928 recommends not the appointment of a deputy minister but the appointment of a minister of fisheries. Does the government propose to do that? Is it the intention of the government to give effect to that recommendation? In that particular I say the government has not been as frank as it should be in putting this language into the mouth of His Majesty's representative.

With what is said with respect to research and the West India trade we are so heartily in accord that it is unnecessary to do more than pass it by, and so we come to the question of the reduction of postage within the empire to two cents from the three cent rate heretofore prevailing. The additional one cent, of course, was charged for taxation purposes arising out of the war; that is quite clear. But why should there not be a reduction at home of the rate on postal cards from two cents to one cent? If we are to reduce the postal rate by abolishing the war tax of one cent on letters within the empire, why not abolish the extra one cent war tax on postal cards within the country? That seems a reasonable thing, and I confess that in view of the declarations made by the Prime Minister in connection with communications between governments, I was somewhat astounded to find a message expressing the earnest and sincere hope of the Canadian people that His Majesty would soon recover his health linked with the statement that we were to have penny postage within the empire. I found it somewhat difficult to understand. This was not a matter of communications between governments, and Her Majesty, the Queen, in replying to the message thus sent from this country, was very careful to refrain from making any observation with respect to

penny post, for it is not the peculiar function of sovereigns in these days to be concerned about domestic actions taken by governments.

Then the question of transportation is dealt with, but so sketchily that one is unable to understand which railway of the many in eastern Canada may be taken over by the Canadian National. We do not know whether it is intended that the railway that bears the name of the Oriental, I think it is, or some other railway is to be absorbed in eastern Canada. Nor do we know what other railways in western Canada are to be absorbed. It may be that that is done for the purpose of shortening the debate in order that the time of parliament may not be wasted and that we may direct our attention only to concrete problems as they arise, and it was not wise previously to inform us because it might involve too much discussion. That might have been the object of the government and, if it is, perhaps it is to be commended.

Then the speech proceeds further with the intimation that it is proposed to amend the Railway Act by increasing the powers of the Board of Railway Commissioners and giving it wider jurisdiction. I am sure the Minister of Agriculture (Mr. Motherwell) must have heard that with great satisfaction, when I recall what he said in days gone by about the Board of Railway Commissioners, which conduced, in no small way, to lessen its usefulness in this country. I can conceive how happy he must have been when he and his colleagues gave their approval to this paragraph in the speech from the throne.

The Board of Railway Commissioners has ceased to have the respect of Canada as it had in the early days of its history. It is my duty to make this observation, and the Minister of Agriculture has, on more than one occasion, pointed out the same thing. So long as the positions on that board are made rewards for played-out politicians, just so long will that board cease to be the tribunal it should be in this Dominion. I say that reluctantly, but I say it very definitely and I say it very positively. This tribunal is charged with wider responsibilities than any tribunal in Canada. I wonder if this house realizes that the Board of Railway Commissioners has jurisdiction over the whole of the transportation system of Canada; a jurisdiction touching upon the integrity of not millions but billions of dollars. We are appointing to that tribunal from time to time, as judges charged with this enormous responsibility, men who are not qualified to discharge the onerous duties of their position. If this tribunal has failed to maintain the respect and regard that the Canadian people had for it when it was first established, it is because this government has failed, since 1921, to realize and appreciate and understand the seriousness of the obligation that rests upon it with respect to that tribunal.

I but voice the sentiments expressed by my friend the Minister of Agriculture in days gone by in the province of Saskatchewan, and last year in western Canada, when I ask the government to consider the importance of that tribunal when opportunity offers for new appointments. I ask them to consider the large jurisdiction it possesses and how closely it touches the lives of the people of this country; from railroad crossings to freight rates, and from joint terminals down to the smallest matter such as the passage of electric wires over a railroad track. These matters are within its jurisdiction, and when I find that the Minister of Railways (Mr. Dunning) proposes to introduce legislation, as the speech indicates, whereby this board will be granted wider powers of investigation, I trust he realizes that concurrently with the grant of wider powers there should be the grant of wider experience and knowledge of Canadian matters to the judges dealing with these problems.

The matter of dealing with the pensions of the Canadian National railway system, of course is purely a matter of administration because a pension system existed in the old Intercolonial, the Grand Trunk and the Grand Trunk Pacific. I do not believe such was the case in the Canadian Northern. I understand that legislation has already been introduced by the minister moving the first reading of his bill to-day whereby a general scheme will be promulgated so that all these outlying pension schemes may be consolidated into a whole.

Now we pass to a matter which is, after all, of paramount importance to this country; the problem of immigration. My friend the hon. Minister of Immigration (Mr. Forke) assured us last fall that he did not propose to be as modest and meek in the future as he had been in the past. While coming events should not cast their shadows behind, there had not then been any vacancy in the governorship of Manitoba and I realize that he looked forward with great satisfaction to meeting us again at Philippi. When one reads this speech one is amazed to find:

> A flow of immigrants commensurate with Canadian requirements and selected strictly for their ability to promote the general prosperity of the country is being satisfactorily maintained.

With these words the representative of the sovereign meets this parliament. I will ask any hon. gentleman here if he will go to any business man or thoughtful Canadian in his constituency and read those words to him and say, "That is a fair reflection of Canadian public opinion." Is there any Canadian who regards this problem as being adequately dealt with by the present system? We have here one of the largest undeveloped areas in the world; we have a very pressing necessity for more people. There need be no misapprehension about that, notwithstanding what has been said from time to time to the contrary. It will be found that the increase of population in this country, brought about through bringing additional people in, will not only lessen unemployment for those who are now in it, but will increase all employment. Those who have studied the problems connected with the movement of people realize that instead of there being a diminution of opportunities for labour, the flow of new peoples into a country means the increasing of the opportunities for those who are there as well as providing work to those who may come.

Last year the government tried the experiment of bringing into this country during the harvest season a number of people from Great Britain. Some of our friends were greatly agitated about that; some of them thought it was going to be fraught with the greatest danger. I observe from the returns, which the department very kindly and courteously furnish me from month to month, that credit is taken for the whole of the movement of these people into Canada at that time. But I learn that more than half of these people went back to Great Britain, and there is no record of that in the immigration returns of this country. In other words, these returns, as they now stand, indicate that there came into this country some fifty thousand British people up to the end of December. Mr. Amery, speaking in the House of Commons on the 19th December last, said that 8,449 British miner emigrants were sent to Canada and up to that date 6,876 had returned, and 4,577 had been assisted to return. We retained something like 1,573 of the number that came in, and no statement to that effect appears in the immigration returns sent out by the department from month to month. I inquired personally as to this being so.

This experiment having been made, may I direct attention to an article appearing in The Round Table of December, 1928, at page 180, as follows:

> Indeed, the Trades and Labour Congress of Canada, when it held its annual conference in Toronto in September, roundly denounced the experiment, and for its appeasement, Mr. Peter Heenan, Minister of Labour in the King cabinet, apparently regardless of the doctrine of collective ministerial responsibility, virtually repudiated the scheme as the product of other minds than his own, and made the charge that before the miners left Britain, they had been misled by gross misrepresentations to the effect that they could easily find employment in the Canadian coalfields, where, according to Mr. Heenan, a surplus of labour already existed.

Many of us will recall the language of the Ottawa Citizen in dealing with the same incident of the Minister of Labour's speech. This is our comment with respect to that. This scheme apparently was ill-conceived, improperly considered before it was launched, and when launched was not a success. The result is that of those who came to this country on account of the representations that were made to them, all but 1,573 had gone back before the 19th day of December last, and of those remaining 1,573 we do not now know how many have gone back since, but we do know that of those who went back 4,577 were assisted in their passage across the Atlantic ocean. In face of that we are told that the stream of immigration moves smoothly; that it is being satisfactorily maintained. In the language of the speech from the throne, bringing some 8,000 to Canada, sending back 6,800 of them and helping 4,577 of those 6,800 to return home, is satisfactorily maintaining the stream of immigration. I do not think the Canadian people look upon the matter in that way. I put this to the Prime Minister and to the members of this house: Has this government grappled with this problem at all? Has it not endeavoured piecemeal to appease this interest and that? Has it not endeavoured by a concession here and firmness there to appease all classes and accomplish nothing?

I observe that the Minister of Immigration (Mr. Forke) the other day spoke of the curtailment of continental immigration, reducing it by one-third, saying that the railways were bringing too many people from continental Europe into this country and that it was desirable to welcome British settlers. Could anything be simpler to increase the percentage of British settlers than to cut down the percentage of the flow from other countries? You do not increase your effort; you do not desire to get more settlers of the kind required; but all you do is to cut off certain classes of settlers and say: Behold, the British percentage of the total immigration is now greatly increased. The Minister of Labour had a simpler method than that. According to him all you had to do was to bring in

enough people and see that enough of ours went to the United States from year to year, so that those who were left would get jobs. Then if those who were left in Canada went to the United States there would be more jobs for those coming. That is not dealing with the problem at all.

Mr. FORKE: Hear, hear.

Mr. BENNETT: The minister says: "Hear, hear." The responsibility rests with him and his government. We have no power to control the expenditures; we have no power over the money of this country; but all I can say is that when, in the fullness of time, that power is entrusted to those who sit to the left of the Speaker, they will deal with the immigration problem in a different manner.

There is one other matter to which I as a westerner must direct attention. Once more the speech from the throne deals with the return to the provinces of their natural resources. You will observe that the government say:

> A royal commission has been appointed to inquire and report as to what financial readjustments are necessary in order that the province of Manitoba may be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources, as from its entrance into confederation in 1870.

Further on in the speech appear these words:

> Negotiations have also been resumed with the provinces of Alberta and Saskatchewan with a view to the transfer to these provinces of their natural resources, and with the province of British Columbia with respect to the restoration to that province of the lands of the railway belt and the Peace River block.

What are the facts with respect to that? First of all, may I remind the house that on the 9th day of March, 1922, there was again a speech from the throne prepared by the present Prime Minister (Mr. Mackenzie King). That was the first speech for which he was responsible, and that speech contained this paragraph:

> The long standing question of granting the control of the natural resources of three western provinces to their respective provincial governments has engaged the attention of my ministers. Sympathizing with the desire of the authorities of these provinces, which have now advanced to maturity, to have the same control and management of their resources as is possessed by the older provinces, my government have made a proposal to the governments of the several provinces concerned, which it is hoped may lead to a satisfactory settlement of the question at an early date.

That was in March, 1922. Nearly seven years of peace, of useful opportunity, have gone by, and in those seven years this government has not accomplished what it aimed at in 1922. Why should Alberta, Saskatchewan and Manitoba be placed in that position? Why is it that the people of western Canada still have Ottawa dealing with their resources? This morning's mail brought to us an extra of the Gazette containing regulations from the Department of the Interior and the Department of Mines at Ottawa, dealing with the great mineral resources of the western provinces, providing methods by which they were to be administered. Are the people of the west to be held in bondage longer by this government? Is it because the Minister of the Interior desires to retain his position; is it because this government desire to administer these resources, to alienate our water-powers, to alienate our great mineral wealth in Manitoba and Saskatchewan, that for seven years this effort has accomplished nothing? The people of western Canada have become insistent that something should be done. They are weary of these long suggestions contained in speeches from the throne as to what is to be done, commencing from the first speech prepared by this administration.

How would Quebec like it if the resources of that province were being administered in Winnipeg? How would the members who sit for Quebec constituencies or those who represent constituencies in Ontario like it if their people were told that a bargain made by somebody in Winnipeg deprived the people of those provinces of revenues from royalties on gold for twenty years? That is what this means. Our vast coal areas, our forest areas, our rich mineralized areas in northern Manitoba and Saskatchewan continue to be administered in Ottawa, notwithstanding that we have reached the age of maturity, that we are over twenty-one years of age. We are told in the speech from the throne: Manitoba is to have a commission to determine what its position is commencing with 1870. Does anyone for a single moment believe that the western provinces can be treated dissimilarly? They must all be treated on the same basis. Equality of treatment must be accorded to them. You cannot select Manitoba for one form of treatment, Saskatchewan for another, and Alberta for another. The people will not tolerate and have no right to tolerate such treatment. Last July, just before a grant of water-powers by the federal government, the rights of Manitoba were determined by an agreement to which I shall refer in a moment. Then a commission was appointed

consisting of a member of the Privy Council, who had been a member of a former government, a very able financial man, and a judge from the Saskatchewan bench, to hear, consider and adjudicate upon the claims of Manitoba.

With respect to Saskatchewan, the premier of that province had some correspondence with the Prime Minister of Canada, and he is to come here on the 19th day of February to consider the matter further, just after his legislature has been prorogued for the year. What about Alberta? We all know the situation with respect to that—the agreement brought in, the reference to the courts, the courts determining in accordance with the contentions of the government. Since then we have now a further suggestion, and with it the statement that this is the final conclusion at which the government has arrived. Mr. Speaker, the speech from the throne itself is the most damning indictment that there could be against this administration in its dealing with the natural resources of the provinces in western Canada. There is the speech from the throne, and in one paragraph it says: We have appointed a commission. On the other hand, the speech from the throne says: We are going to negotiate with the other two provinces. How can it be possible to suggest that you are going to deal with Manitoba in one way, and with the other two provinces in another way? Let us look at the manner in which each of them is being dealt with up to the moment.

Saskatchewan, as I have said, is not to be dealt with until the 19th day of February, when discussion is to take place between the premier of that province and the Prime Minister of this country.

So far as Manitoba is concerned, I read that on the 1st of August, 1928, an order in council was passed from which I quote the following clauses:

1. The province of Manitoba to be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources, as from its entrance into confederation in 1870.

2. The government of Canada, with the concurrence of the government of Manitoba, to appoint a commission of three persons to inquire and report as to what financial readjustments should be made to effect this end.

3. The commission to be empowered to decide what financial or other considerations are relevant to its inquiry.

4. The findings of the commission to be submitted to the parliament of Canada and to the legislature of Manitoba.

5. Upon agreement on the financial terms following consideration of the report of the commission, the respective governments to introduce the necessary legislation to give effect to the financial terms as agreed upon, and to effect the transfer to the province of the unalienated natural resources within its boundaries, subject to any trust existing in respect thereof, and without prejudice to any interest other than that of the crown in the same.

6. Pending this transfer, the policy of the government of Canada in the administration of the natural resources of Manitoba to be in accord with the wishes of the government of the province.

The committee, therefore, on the recommendation of the right hon. the Prime Minister and President of the Privy Council, advise that, pursuant to part I of the Inquiries Act, chapter 99, revised statutes of Canada, 1927—

The Honourable W. F. A. Turgeon, a judge of the Court of Appeal of Saskatchewan.

The Honourable T. A. Crerar, of the city of Winnipeg, province of Manitoba, and

Charles M. Bowman, of the town of Waterloo, in the province of Ontario, Esquire, Chairman of the Board of Directors of the Mutual Life Assurance Company of Canada,

(the commissioners agreed upon by both governments), be appointed commissioners to conduct such inquiry, and that they be authorized to engage the services of such accountants, engineers, technical advisers or other experts, clerks, reporters and assistants as they deem necessary or advisable.

E. J. LEMAIRE,
Clerk of the Privy Council.

That deals with the Manitoba situation.

Now I turn to the situation in Alberta. We find that just a few weeks ago a conference took place between the representatives of the province of Alberta and the representatives of the Dominion of Canada, and on the 29th day of December last, only a few weeks ago, the Prime Minister of Canada wrote to the Premier of Alberta in the following terms:

Dear Mr. BROWNLEE,

The members of the government having been advised of the outcome of the conference held in Ottawa on the 12th and 13th instant, between a committee of the Dominion cabinet and representatives of the government of the province of Alberta, and having approved of the same, I have now the pleasure of communicating to you the terms of the offer which the Dominion government is prepared to make respecting the transfer to Alberta of the unalienated natural resources within the province.

Speaking broadly, it is proposed to transfer to Alberta the natural resources in their entirety with the exception of those areas now set apart for park purposes.

With regard to mineral rights in national parks within the province, it is proposed to place Alberta on the same footing as the other provinces of the Dominion.

With respect to the school lands trust fund and the school lands, it is proposed that these shall pass to the administration of the province but shall be set aside and continue to be administered by the province for the support of schools organized and carried on therein in

accordance with the laws of the province, but in compliance with the letter and spirit of the constitution.

Here I pause to point out that those were words that were used by a great convention assembled in Winnipeg, in dealing with that problem. I take it that the right hon. the Prime Minister, in order to expedite a settlement of this somewhat disputatious matter, as it has become through the action of the government itself, inserted those words, "in compliance with the letter and spirit of the constitution." I congratulate him upon his effort to secure unanimity with respect to a matter of that kind. The letter continues:

Following the transfer to Alberta of the natural resources, it is proposed to continue to pay to the province of Alberta the present annual subsidy in lieu of lands, of $562,500, with the understanding, of course, that increases in the subsidy to the province as provided for pending the administration of the natural resources by the Dominion government, shall cease upon the transfer of the resources to the province.

As for the present reference to the courts of section 17 of the Alberta Act, the matter is before the judicial committee of the Privy Council, but Their Lordships have expressed the view what there should be an appellant party other than the Dominion government whose contentions were upheld by the unanimous judgment of the Supreme Court of Canada. We understand that your province does not wish to appear in the capacity of an appellant in this reference. We will consider further the advisability of our government taking steps with a view to having this appeal proceeded with, in order to secure a decision of the Privy Council in the matter.

It should be understood that these proposals now made to the province of Alberta have been very carefully considered by the Dominion government and are not subject to further modification by correspondence. It is our hope that the government of Alberta will see in this offer an indication of the sincere desire of the Dominion government to arrange an early settlement of this long-standing question.

Now I put to the house this question: Could any province be expected to accept those proposals in their entirety, if that province happened to be, for instance, Alberta, in view of the arrangement made with Manitoba? I happen to live in the province of Alberta, not in Manitoba. Here are the proposals for Manitoba: Why was Alberta treated in a different way? Why do you go back to 1870 and concede, so far as Manitoba is concerned, as we always have contended in the west, that these natural resources belong to the west, and that the crown in the right of the Dominion administered them only in trust for the new provinces that were to be—why concede that for Manitoba and say: We will go back to 1870 so far as Manitoba is concerned, and not say the same for Saskatchewan and Alberta? What is the answer to that? The answer would be, I suppose, that Alberta got a subsidy in lieu of lands. So did Manitoba. The swamp lands of Manitoba you will recall were turned over to that province. There is Manitoba, on the one hand, and there is Alberta on the other, being treated differently.

I speak now in my capacity as a member from the province of Alberta, and I deny the right of any government to come to a measure of settlement with Manitoba that is not accorded to the province in which I live, and which I have the honour to represent. I go further, and I now appeal to those hon. gentlemen opposite who are such pronounced autonomists, those gentlemen who deny the right of appeal to the Privy Council, and who say that the Supreme Court of Canada should settle all these matters. Why is your government now so anxious to go to the Privy Council on appeal from a judgment in its own favour—a judgment in its own favour, mark you? Where is the hon. member for Bow River (Mr. Garland), who talked about the autonomous rights of Canada with respect to its courts? The judgment of the Supreme Court of Canada was a unanimous judgment in support of the federal government's contention as to the proper interpretation of section 17 of the act of 1905, and when my right hon. friend, who is not a lawyer, says that the matter is before the Privy Council, his language is not quite technically correct. The position is that the Dominion government made an application for leave to appeal to the Privy Council. It has not yet received that leave, and when the application for leave was made to the Privy Council, the presiding lord asked who was the appellant, and as they did not have any appellant except the Dominion government, which could not appeal from a judgment in its own favour, they have apparently been looking ever since for an appellant. I do suggest to my friends who are so strong for autonomy, and who argue so strongly for the finality of the judgments of the Supreme Court of Canada, that they should get busy with their government and ask them why they are going to appeal from a judgment in their own favour. It is for only one purpose —delay. We have a right, so far as Alberta is concerned, similar to the right conceded to Manitoba by this order in council, upon which legislation will undoubtedly be framed.

Bear in mind this further fact, sir. This legislation passed by the provincial legislatures

and by this parliament has to be ratified at Westminster before it becomes finally binding and effective with respect to these provinces. That means another year's delay. My friend the Minister of Railways (Mr. Dunning) stares, but that is the fact. The Solicitor General (Mr. Cannon) and the law officers of the crown will confirm my statement. The legislature of Saskatchewan is no longer in session; the legislature of Alberta is in session; the legislature of Manitoba will be in session this week, and opportunity is afforded this parliament to carry into effect the suggestions made by the Prime Minister in 1922 when he first met this house in that capacity and was going to deal with the problem at once. He has been going to deal with it ever since. As has been suggested to me, there is a clause in the agreement that was submitted to this house in 1926 with respect to the ratification of the legislation by the Imperial parliament. This was inserted because it is necessary from the constitutional standpoint.

So that is the position to-day with respect to our natural resources. I was very much pleased to see the concession by the government that these resources are held by the crown in right of the Dominion in trust for the crown in right of the provinces. When that order in council was passed by the government last August it put its final approval upon that concession by stating that with respect to Manitoba we had to go back to 1870 to determine what its rights should be as to the resources that had been alienated and, I take it, the revenues therefrom. That being the position with respect to this long-standing matter, I earnestly hope that the government will rearrange its program so as to concede to these western provinces the same rights, and place them in the same position, with respect to these vast areas that the crown in right of the Dominion holds in trust for the crown in right of the new provinces that were called into being. That, I think, is not an unreasonable position to take, and we trust that the government will without more delay see that effect is given to it.

As to the royal commission to deal with radio matters, I have only this observation to make. In view of the promises that were made last session, it does seem to me that an unusually long time has been allowed to elapse before appointing that commission. Radio becomes of some importance. Canada has quite as large an area as the great republic to the south, and we have just as much air north of forty-nine as they have south. I am satisfied that the conference recently held here has arrived at conclusions based upon a realization of the mutual obligations and the mutual opportunities in connection with the transmission of messages through the air; but I do complain of the unnecessary delay that has taken place in appointing the commission.

Now, sir, the paragraph in the speech from the throne referring to the improved conditions under which international and imperial relations are carried on does not call for any discussion in view of what was said last session.

But this brings me to a matter which I do regard as being of very vital importance to this country. The immediately succeeding paragraph deals with the multilateral treaty for the renunciation of war, which was signed on behalf of Canada in August, and states that it will be submitted to us for approval. It is always a very delicate matter to refer to the positions that are taken by other countries than your own; your observations are always open to misconstruction, and doubtless they are sometimes misrepresented. But since the right hon. Prime Minister affixed his signature to the treaty I venture to say that not within the memory of any man on this continent has language so violent been used by public men in the United States with respect to Great Britain. Great Britain has been charged with desiring war. When you read, not the irresponsible utterances of jingoes, but the carefully-considered and carefully-prepared editorials in the great newspapers and articles in the outstanding magazines of the United States contributed by ex-service men of the army and navy, and when you peruse the debates in the United States senate, you cannot but be struck with the fact that we Canadians are being entirely overlooked in relation to this matter. When our great neighbours talk of war against Great Britain, they should understand that they are talking also of war against Canada. And the use of the word "war" in magazine articles, newspaper editorials and speeches is the negation of the very purpose of the treaty itself—the absolute negation. Listen to the words of M. Briand when this treaty was being signed. He said:

> For the first time in the face of the whole world through a solemn covenant involving the honour of great nations, all of which have behind them a heavy past of political conflict, war is renounced unreservedly as an instrument of national policy; that is to say, in its most specific and dreaded form—selfish and wilful war. Considered of yore as of a divine right and having remained in international ethics as

an attribute of sovereignty that form of war becomes at last juridically devoid of what constituted its most serious danger—its legitimacy. Henceforth, branded with illegality, it is by mutual accord truly and regularly outlawed so that a culprit would incur the unconditional condemnation and probably the enmity of all its co-signatories. It is a direct blow to the institution of war, even to its very vitals. . .

Now, sir, at the very time when we are asked to ratify that treaty, we are surrounded by discussions just such as preceded the war of 1914. I wonder if the members of this House will take the time to go to the library and seriously read the articles and the editorials in the United States magazines and newspapers in which this word "war" appears so often. This is being done by the nation that asks us to outlaw war. The word "outlaw" has a well-defined meaning, and, sir, I do not like to see this country placed in the hypocritical position of signing a solemn treaty when the very nation that proposed it is talking in terms that are the very negation of its spirit and provisions. I realize indeed how serious these matters may be, I realize that it is just such language which creates that jingo spirit so absolutely at variance with the very thought of peace. If, sir, we are going to think in terms of peace, we cannot continually talk in terms of war. When I read those utterances, and when I saw this paragraph in the speech from the throne I decided—and in this I believe I represent the thought of a great many Canadians—that we should deprecate this discussion about war, that we should deprecate this effort of the great nation that put the treaty into concrete shape to create this dangerous war feeling by the tenor of the articles and editorials in their magazines and newspapers and of the speeches delivered by their public men. I say we should deprecate, and we do deprecate, the creation of a sentiment that is at direct variance with the very thought of peace.

Who that has studied modern democracy does not realize just where such talk leads to? You will recall the slogan, "Remember the Maine," and its results. What was the result of the great newspaper campaign initiated by Von Tirpitz in his attempt to create public opinion in favour of his measures for a greater navy? There was always one nation at which the attack was directed—Great Britain. Her navy and its supposed purpose was so presented to the German empire that it inflamed their passions, aroused suspicion and created an attitude of mind absolutely contrary to peace. Therefore, sir, I say we Canadians should do everything in our power to let it be understood we regret such expressions. We cannot understand it; and in the light of the post knowledge we have and the discussions that have taken place we trust that we are not being placed in a hypocritical and ridiculous position with respect to the ratification of the treaty.

Sir, in my view, this country is not interested in what other countries may do to ensure freedom from attack upon their ships on the high seass or to maintain the safety of their trade routes throughout the world. We must look after ourselves and concede the right to others to do the same. If once a contest in armaments begins, whether it be on land or on sea, the end is as certain as an end can be. The history of the world bears testimony to this. The stream of time is strewn with the wrecks of nations that have engaged in a mad struggle for the maintenance of armaments. We Canadians, standing as we do between the east and the west, the greatest of the dominions between the far off east and the far west, we who live north of the forty-ninth, surely have a right to say as regards the ratification of a treaty such as this, that we regret that the discussions that have taken place subsequent to the signature of the treaty in Paris are wholly at variance with those that were antecedent thereto. It is, I think, our duty to make this clear; we would be derelict in our duty if we did not do so. This at any rate is the consideration that influences me in making these observations.

There is one remark I have to make with respect to acts which will be amended, among them the Elections Act. I do not know whether this intimation is a forerunner of an early appeal to the people, but I do say that anything that can be done to improve the Elections Act, whereby the will of the people may be made effective, should be undertaken. We who sit to the left of the Speaker realize this, in view of the fact that we received several hundred thousand votes more than did those who occupy seats to the right of the Chair. Those who sit on this side would therefore be glad to have the act amended in order to reflect more truly the will of the people.

One matter to which we shall have to give our attention is the state of the public accounts, which the faithful commoners will have an opportunity to consider. These, of course, are the accounts for the year ending March 31, 1928—not 1929. We shall, however get a budget speech, so called, which will deal with the accounts up till 1929, and it may be interesting to know—it will be pleasing, no doubt, to those who sit directly to the

right of the government—that during the last ten months this country has collected more revenue than it has ever done in any ten months of its history. According to the Canada Gazette of Saturday last, the total taxes collected in Canada during the last ten months amounted to nearly $330,000,000, and of that vast sum over $152,000,000 came from customs.

O, ye free traders! Ye free traders from the province of Saskatchewan, who sit to the right of those who sit to the right of the Speaker, rejoice and be exceeding glad that $152,000,000 of taxation was raised by customs. And that is only $25,000,000 in excess of the taxes thus raised the year before. This, of course, meant greater opportunities for expenditures; and notwithstanding all that we have been told, the truth is, as indicated by the Canada Gazette, that during the last ten months this country has expended some $15,000,000 more, in ordinary expenditures, than in the same period last year. Oh, they say, that is nothing; we have the money—we have $152,000,000 in customs taxes and $15,000,000 more to spend for any purpose under the sun. And there are not lacking those on the other side of the house who will tell us how usefully the money has been expended for the purpose of advancing the public interest and promoting the political welfare of the government.

There are some matters which are not dealt with but which we expected to see mentioned in the speech from the throne. For example, there are the reparation claims: we expected that, at the very least, the speech from the throne would take notice of this matter. It does not; but on the order paper we have, immediately after the order for the consideration of the speech, the intimation that 2½ millions will be used for the purpose. I can only hope that in the distribution of these sums of money regard will be had to the purposes for which the money is paid, and the adjudications of the tribunal that had to consider the claims of the applicants. That matter will of course be the subject of a subsequent debate and I will therefore say nothing further with relation to it.

I had looked for some reference to the senate; I thought that the senate would be modernized and reformed, because most speeches from the throne which we have had since 1922 have contained some reference to that chamber. But there is nothing in the speech this year in that regard. I recall a speech of my right hon. friend (Mr. Mackenzie King) in western Canada last fall, and I remember that a greater than he was dealing with the reform of the senate when he left it to Providence.

But I have always thought that there was one matter which the government should, in these days of buoyant revenues, properly consider, and that is old age pensions and allied social problems. The right hon. the Prime Minister was good enough some years ago to indicate that, in his view, a system of old age pensions and social legislation worthy of the name should contain some provision with respect to contributions on the part of the persons affected. As it is to-day, we have but what has been called the dole system. In Great Britain they have no such dole system, inasmuch as the employer, the employee and the state make contributions. Here, on the other hand, the taxpayer alone contributes—the taxpayer of the Dominion, first, through the contribution of one half by the Dominion to the provinces, and, secondly, the taxpayers of the provinces themselves. Now the time has come when a large system of old age pensions should be developed, and a measure to that end should be submitted, with the joint approval of the provinces and of the Dominion, so that men and women might be able to make those contributions so essential to place a system of this sort upon a proper basis, as is the case in other countries. I go further and say that if we fail to take this step we shall place an intolerable burden not only on the Dominion but on the provinces themselves—and this in the not very distant future. For there is, to use language which is sometimes employed in connection with marine matters, "a slack" that must be taken up; there is a large number of older persons whose contributions will not take care of their own particular cases, and the state itself must fill that gap by the contributions it makes. I hope that the government will take this matter into its earnest consideration, in these days of buoyant revenues.

There is one other matter I wish to suggest to the administration, and with it I have concluded my observations. There are two great problems that confront the people of the British Empire; they are the largest problems that have ever been offered for the solution of men and women in any age. We inhabit one-fourth of the world's area; we have one-fourth of its population; we have the greatest unoccupied spaces ever given to a people in trust. These great spaces came to us through the toil, the effort and the sacrifice of men and women of ages long since past. We have a population congested in some sections, and a sparse population in others. Why should not the congested areas

be relieved of their population and the sparsely peopled areas be populated? That is one problem. The other problem is that of development. I will not at this time endeavour to point out what the resources of this empire are, nor how great a part Canada plays in any development of these resources. In nickel, asbestos, lead, tin, gold, silver, metals, minerals, wood products—in all these there are abundant resources in Canada as well as in other parts of the empire: copper in Rhodesia, diamonds in South Africa and great cotton fields in India and Egypt. We have one-fourth of the people of the world, although it is true that part of them are backward races, unsuited to our country. So I suggest to the government that since England can no longer take the lead with respect to this matter, this country should call a great economic conference to meet in Ottawa. Let the Dominion of Canada take the lead; let us call an economic conference of the British Empire to meet in this city to consider, after being properly informed, the two great problems of settlement and development. That would be a step forward and would ensure to us what the Minister of Trade and Commerce must realize we are running a chance of losing overnight through hostile tariffs, namely, our markets. I can only say that if we who sit to the left of the Speaker were entrusted with the responsibilities of power to-morrow one of our first actions would be to ask that representatives of this great empire meet in this capital city of Ottawa in a great economic conference to grapple and deal with the problems of settlement and development, for one-fourth of the world's people are not trustees for nothing. Where England may not take the lead, as she may not at the moment in a matter of this kind for reasons which are obvious, we may point the way, remembering that the first of the colonial conferences, which ultimately became imperial conferences, sat in this city. A great economic conference brought together through the initiative of the Canadian government would be able to work out a solution of these problems which would not be temporary in its character, which would not be subject to adverse and hostile legislation, but which would represent the agreed views of one-fourth of the world's people, occupying one-fourth of the world's area. That in itself would do much to secure for all time that outlawry of war, that perpetual peace, for which all democracies are striving.

I leave that suggestion with the administration in the hope that they may be pleased to adopt it for the benefit of this country and for the good of the empire to which we belong.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to join very heartily with my hon. friend the leader of the opposition (Mr. Bennett), in, and at the same time to thank him for, the words of commendation which he uttered with regard to the speeches made by the hon. members who moved and seconded the motion on the address. Both were excellent speeches. The hon. member for South Oxford (Mr. Cayley) has been in this house for two years; he is known to us all and we had reason to expect that when he sought to review the causes underlying the prosperity of the country, he would bring to bear in his remarks the experience which he gained during years as a teacher in the schools of this country, and that he would give to the house an analysis which would be cogent in its reasoning and forcible in its expression. He acquitted himself admirably, and is to be warmly congratulated on the manner in which he moved the address. To the hon. member for Joliette (Mr. Ferland), who seconded the motion, it must have been a formidable task to come into the House of Commons and be obliged to make a speech within twenty-four hours of his introduction. All who were present were more than charmed, I am sure, with the manner in which the hon. member acquitted himself on that occasion. It was a maiden speech, and I venture to say it was one of the best maiden speeches ever delivered in this House of Commons by any hon. member. We will look forward with interest to his further contributions to debates in this chamber.

Now may I extend one word of congratulation to my hon. friend? I should like to compliment him upon the brevity of his speech. If the government may be congratulated on nothing else, at least it is to be congratulated in having put into the lips of His Excellency a speech which at least partially silenced the leader of the opposition. I am not surprised that my hon. friend was brief in his remarks. He had a very difficult task to perform, in some respects the most difficult he ever has had. He could not deny the prosperity which exists in this country at present. After all, one of the great objectives of government is to make a people happy, contented and prosperous, and when a government is able to exact from the leader of the opposition the admission that the country is happy, contented and prosperous, that government has great reason for congratulation.

I noticed however, that while my hon. friend was prepared to admit the prosperity he was not inclined to give the government

all or even part of the credit for it. He was inclined to give Providence most, if not all, of the credit, for everything that has taken place. May I say to my hon. friend that Providence, being wise, at least saw to it that its favours were not shown until it was quite certain that hon. gentlemen opposite would be out of office for a considerable time. Providence quite evidently has chosen the time in which to favour this country with the prosperitiy we now enjoy, I may also say that while Providence is all-powerful there are some things it cannot do alone. In human affairs Providence must work through men and through governments. If to-day we are to thank Providence for the prosperity of this country, as we all do most profoundly, I think we can also acknowledge the part taken by the workers of this country, by those engaged in industry and in trade and commerce, in working with Providence towards its development. We are justified moreover in making acknowledgment in some measure of the policies of the government which have contributed to that end.

With regard to the policies of the government and the prosperity which we enjoy today through the bounty of Providence and with the aid of Providence, I would say first of all we owe very much to the policies brought down in this house by the Minister of Finance (Mr. Robb). Let me recall the position of the country when the present government assumed office. The Minister of Finance was obliged at that time to acknowledge heavy and recurring deficits, which were bringing the country more and more into a condition of bankruptcy. After this administration had been in office a year or two the present Mininster of Finance could come to the house and, instead of bemoaning deficits, announce surpluses. From year to year he has continued to announce surpluses, with the result that not only has the national debt been greatly reduced but the taxation of the people has been reduced as well. I think it is an elementary principle in the development of a nation, all other things being considered, that that country which is least heavily taxed is likely to be most prosperous. Year after year the Minister of Finance, in presenting his budget, has been able to announce to the house some further reduction in taxation. He has announced reductions in the income tax, in the sales tax, in the stamp tax on cheques and in the postage tax, one series of reductions after another, and by reducing or eliminating taxation in this manner the country has been placed in a better position than it otherwise would have been.

May I refer also to the indirect customs taxation which has been of importance in the matter of reduction. My hon. friend spoke of interference with trade, and said that whenever this government had interfered with trade it had made matters worse than they were. I do not know what he had in mind when he used the word "interference" because what we have been seeking to do in the matter of trade has been not to interfere but to rid the country of many interferences. I am unable to see where we have interfered with trade by introducing impediments, particularly impediments of the character which hon. gentlemen are advocating. Rather have we removed some of these impediments; we have reduced considerably the indirect taxation which had been placed on some of the industries of this country. And that reduction in taxation has resulted in a considerable benefit to industry, and to the country as a whole.

My hon. friend did not mention many industries or commodities. I think he mentioned only two: he spoke of butter and he spoke of automobiles.

Mr. BENNETT: Agricultural implements.

Mr. MACKENZIE KING: I beg his pardon, agricultural implements. If there had been more to speak of I think we would have heard so from my hon. friend.

Reducing it to butter and to agricultural implements, may I say to my hon. friend that I doubt if he has fully appreciated the circumstances which have contributed to certain of the results he indicated. He spoke of basic industries and commodities and of other industries or manufactures to which they give rise. I assume that each year's butter manufacture comes from the milk crop. First of all, the farmers have to have a supply of milk from which to manufacture butter. They may sell the milk itself or the cream, or they may use the supply of milk for the manufacturing of cheese or butter whichever is the more profitable. Instead, however, of going into the production of milk, they may find it more profitable to invest their capital and time in some other branch of agriculture. If my hon. friend will apply what I have said with respect to the milk trade and its subsequent development in Canada, he will find an explanation of why the export of butter has fallen off. He will find that more of the milk has been sold, that is has been more profitable to sell than

to manufacture due in a large part to the increasing tourist travel in this country. He will find that much of it has been manufactured into cheese; also that the farmers in the west, finding it more profitable to devote their time and attention to the raising of wheat, have paid less attention to the manufacturing of butter. I will leave it to the Minister of Agriculture (Mr. Motherwell) to give us more detailed information on this question. My hon. friend will find, with respect to the country from which we have been importing the largest amount of butter, that we have, in exchange, been sending to that country and to the country associated with it, a larger amount of manufactured commodities and supplies of one kind or another than we did in former years, when we were, perhaps, importing less in the way of the single commodity butter. I refer, of course, to New Zealand and Australia.

Coming to the other commodity which my hon. friend mentioned, agricultural implements, if he will stop to look at the figures he will find that instead of falling off, either in the value of their production or in the total quantity produced, there has been a steady increase ever since the tariff changes were introduced. I have in my hand a statement by the Dominion statistician with respect to the agricultural implement industry in Canada. This shows that the production of agricultural implements and machinery was valued at $42,000,00 in 1927. This was 12 per cent above the value of $38,000,000 for the previous year, which in turn showed a gain of 54 per cent over the total of $24,000,000 reported for 1925. Taking the figures for the different years, the numbers of employees in the agricultural implement industry in Canada are shown as follows:

1923	7,792
1924	6,700
1925	7,559
1926	10,091
1927	11,011

The selling value of the production totalled as follows:

1923	$26,026,419
1924	26,447,171
1925	24,770,216
1926	38,269,214
1927	42,996,288

So far as the agricultural implement industry is concerned, far from any action of this government having proved a detriment to it, the figures would show that the industry has prospered more than ever.

My hon. friend referred to the basic industries of the country as being the source from which its wealth was derived. I am glad my hon. friend has at last come to see that the primary industries are the basis of industrial prosperity in the country. That is what we have been trying from the beginning to have him recognize; it was what we tried to have him recognize when we reduced the duties on the implements of production in the basic industries. If the basic industries of this country are developing to-day as they have never developed heretofore, it is due, to a very considerable extent, to that reduction in the duties on the implements of production which has served to make implements cheaper to those who are engaged in these industries, and in the second place, to the reduced cost of living thereby effected and which has furthered production.

There have been other government policies which account for the increased prosperity at the present time. Let me mention policies with respect to the railroads of this country. When we came into office we found two or three systems, competing to a certain extent with each other, and under different managements. We now have these systems brought into one coordinated whole and working as one under one successful management and administration. In other words, we brought about the consolidation of the Canadian National railways. We brought that consolidation about at a time when these railways were liabilities to the country. Year after year there were deficits in operating expenses as well as deficits in other directions. What is the position to-day? The position to-day is that an institution which was a liability has come to be recognized as one of our greatest assets. With the development of the Canadian National railway system has gone the extension of branch lines in different parts of this country, all of which has helped to bring agriculture very much more to the fore, to develop agricultural, lumbering, and mining districts heretofore undeveloped, and to bring the foreign markets and domestic markets more nearly into touch with these basic industries which are as has been said the basis of our prosperity.

Not only has there been a consolidation of the railways in this manner, not only has there been an extension of railway development, but one of the first problems the government grappled with was the question of railway rates. The government grappled with this question first with reference to western Canada, and then with reference to eastern Canada. When we came into office we found that the Crowsnest pass agreement had been suspended. We restored the terms of that agreement, first with regard to grain and then

with respect to other commodities. A year or two ago, we found there was considerable depression in the maritime provinces, and we grappled with the question of railway rates in the maritime provinces. We made concessions in freight rates to industry and to the people which have served a useful purpose in the development of the maritime provinces. So our policies with respect to the railways have contributed in a very substantial way to the prosperity of the present time.

I might mention policies related more particularly to other departments of the government. Let me take first the Department of Trade and Commerce. I notice that my hon. friend did not say very much about the paragraph in the speech from the throne which spoke of the new steamship service between Canada and the West Indies and which refers to the continually expanding trade of the Dominion and the facilities which the government are providing for furthering markets in different parts of the world. He left all that severely alone. But one of the great achievements of the present administration has been the manner in which it has furthered export trade not to one country only, but to all parts of the world, furthered export trade in accordance with a policy that has been carefully thought out of encouraging trade by subsidizing certain steamship lines, by seeing that the necessary trade commissioners were appointed, by providing private concerns with necessary commercial intelligence and generally by taking such steps through scientific and industrial research and in other ways as would serve to advance the interests of trade throughout the Dominion.

I might speak also of the part which has been played by the Department of Labour in helping to reduce industrial unrest to a minimum. No other country in the world has been as free of strikes within the last few years as has been this Dominion of Canada, and if that is true, no small credit is due to liberal measures and policies and to the Minister of Labour (Mr. Heenan) for what he has helped to effect in that regard.

Despite all that my hon. friend says with regard to immigration, may I say that I think the policies of the government with respect to immigration as well have contributed very materially to the prosperity of this country. We have been cautious in the manner in which we have dealt with this problem. We have endeavoured to bring into this country the numbers which we believed could be assimilated in a natural and normal way and who would remain permanently here. We have avoided steps which would lead to unrest, and which in the end, would be certain to retard in a most unfortunate manner the tide of immigration.

These are only some of the policies which the government has brought forward and put into practice since it came into office, but all of these policies have contributed in a real and substantial way to the development of our industries and to our present prosperity.

I was interested in hearing what my hon. friend had to say about the extent to which the commodities that we were exporting were commodities that were associated with the great basic industries. He has, I notice, in most of his speeches been seeking and he did, I think, by implication to-day also seek to convey the impression that Canada in some way or another was parting with her estate, to use a phrase which he used on a previous occasion; that we were depleting our resources; that in some way or another we were depriving future generations of raw material which they ought to have. My hon. friend has answered, I hope, effectively to himself and to the country the one point that he has been seeking to make right along against this administration. He has shown that most of these exports are natural products of the field, of the forest and of the mine, largely, may I say, products of agriculture and products that could not be exported in a more developed or finished state than that in which they are exported at the present time. Let me make myself clear by referring to wheat. I have not at hand at the moment the figures in regard to the total exportation of wheat.

Mr. DUNNING: He put flour and wheat together.

Mr. MACKENZIE KING: I am advised my hon. friend put flour and wheat together.

Mr. BENNETT: Grain and grain products.

Mr. MACKENZIE KING: Grain and grain products. Will my hon. friend say that the exportation of this year's crop of wheat means the robbing of future generations of crops of wheat that may be exported? That is what I hope my hon. friend will keep in his mind. He has left out of the account in his public addresses the fact that the large exportations are of those commodities in which this country has a distinct natural advantage and which are capable of reproduction. We have a great advantage given us by Providence in our natural resources and these resources in large part are capable of reproducing themselves. At least as regards agriculture, with

respect to the products of the field, live stock, fruits and the like which constitute the major part of our export trade, these are all commodities which can be reproduced from year to year and which require only the guidance of a department of the government to preserve in ever-increasing amount what to-day is taking place in the way of exportation. Turning from agriculture to the forests, we have in this country an extent of timber area, a quantity of timber unparallelled by that of any other country in the world, excepting possibly Russia and Siberia combined. We have not begun even to estimate to the full extent the timber resources of Canada; but the timber resources, by a careful system of conservation, and reforestation, may be maintained despite the large exportation, and, as my hon. friend knows, the provincial governments which have most to do with the forests have combined with the federal government in providing measures of conservation which will help to preserve the forests to future generations.

We have the largest fisheries in the world and there again the problem is one not so much of restricting exportation as of an effective and successful conservation.

As regards minerals one might almost say that the total potential production of our mineral resources is as yet completely unknown. I wonder what the people of Great Britain would not give to-day if they found it possible to continue the export of coal, the basic raw material from which England has derived such revenues in past years. Great Britain is in her present state of depression largely because she has lost the market she had for one of her essential raw materials. We are in the present happy position of prosperity by reason of the fact that we have been discovering ever wider and wider markets for those products in the production of which we have a natural advantage.

I noticed, by the way, that when my hon. friend was in Nova Scotia in the course of his campaign there in the summer, he did not hold as steadily to his doctrine about not exporting raw materials as he sometimes does. His speeches there seemed to be suited to the locality even more than to the general principle which he has been laying down. He happened to be in a certain community at the moment at which the United States imposed a tax upon gypsum, and my hon. friend protested to the community that the United States were always imposing taxes on commodities going into that country, that they in Nova Scotia were being deprived of their rightful market and that they ought to protest against that sort of action on the part of a foreign country. Yet this gypsum is just a raw material of the very kind to the exportation of which my hon. friend has been taking strong objection.

Mr. BENNETT: My hon. friend does not have that quite right. I said that we should not continue to trade with a country by sending them sixty-six cents out of every dollar's worth of our purchases, if they declined to buy from us, and I instanced gypsum as the last item of their policy.

Mr. MACKENZIE KING: May I also say that at the same time the government of Nova Scotia which my hon. friend was indirectly assisting or attempting to assist at the time, sent through its Minister of Mines a communication to the Minister of Trade and Commerce and the Minister of Finance of this government urging very strongly that representations should be made to the United States to withdraw or to lower the duty and so make possible the continued export of the raw material gypsum into that country.

No, Mr. Speaker, when it comes to the question of the export of raw materials, one has to take into account the stage of a country's development. Every country goes through certain marked stages of development in its industrial life. A new country naturally begins with the exportation in larger percentage of its raw materials than of its finished goods, but little by little, as these raw materials exported bring back to the country the purchasing power for other commodities produced or manufactured within the country, that purchasing power is used for the development of new or growing industries. And so a domestic industry is built up, not by erecting a Chinese wall around the entire nation to prevent the exportation of any of its products, as would be the outcome of the doctrine of protection if carried to its logical conclusion, but by permitting in the first place a large exportation of raw materials of which the country has a surplus and with the purchasing power which comes from the sale of those materials, developing more and more within the country itself the industries into which those raw materials may enter. If we wish to build up in Canada, as we do, and as we are doing, an increasing manufacturing industry, the most effective way to do it is in the first place to put our people in a position where their money can be invested in industry, and that can be done by selling in as large quantities as possible the products of the country in the producing of which we have a

natural advantage, and secondly, by discovering so far as we can the markets abroad which will enable us to expand in our sale of commodities which we produce or manufacture. If one would take the trouble to consult the figures and see what is actually taking place in the matter of development, one would find that while a few years ago we were exporting raw materials almost exclusively, the percentage of partially manufactured commodities and the percentage of wholly manufactured commodities which we have been exporting has been continually increasing. In other words, we are getting away from the stage of a country which is simply selling its raw materials to the stage where as a country we are developing a large manufacturing industry as well. The development of Canada in this particular will, I believe, compare more than favourably with any other industrial country in the world; that is to say, we have reached a higher stage in our manufacturing development in Canada, having regard to the age of the country and its population, than has, I believe, any other country in the history of the world.

I now hasten to follow my hon. friend's example and shall not dwell too long upon any one subject. I shall endeavour to take up the several matters in the speech from the throne which he touched upon, and to do so in the same order.

May I, before proceeding further, recall my hon. friend's reference to the improved health of His Majesty the King? As my hon. friend has said, this House of Commons gave expression last week to its thankfulness and rejoicing that His Majesty's health has recovered to the degree that it has. I am sure that we have all read with increasing thankfulness and rejoicing the word that His Majesty, being now at the seaside, is rapidly approaching the stage where convalescence may be looked for. We in Canada will be happy to join with Great Britain and other parts of the British Empire in a day of thanksgiving just as soon as His Majesty's government in the old land deems it advisable to name a day of thanksgiving for the Empire as a whole.

I come to the next matter to which my hon. friend has refered. He spoke of the fishing industry and to the reference in the speech from the throne to the appointment of a deputy Minister of Fisheries, and asked if it was the intention of the government to appoint a minister of fisheries. I would say to my hon. friend that it is the intention of the government to add to the ministry the separate portfolio of minister of fisheries, but I hope he will allow us to choose the moment that seems most opportune in that regard.

Mr. BENNETT: About election time.

Mr. MACKENZIE KING: My hon. friend the leader of the opposition spoke at considerable length upon the question of the transfer of their natural resources to the western provinces. He chided the government for the delay that has taken place in successfully bringing about the transfer of the natural resources to the different provinces, and he pointed to a reference in the speech from the throne of three or four years ago to the effect that negotiations were then under way with the hope of effecting a transfer so far at least as some of the provinces were concerned. My hon. friend might have gone back further even than that. He might have gone back to the days of Sir Robert Borden when he first came into office, and to the time when my hon. friend was associated with Sir Robert, and he would have found in some speeches from the throne of that day references to the intended transfer to the western provinces of their natural resources.

Mr. BENNETT: The war stopped that.

Mr. MACKENZIE KING: The war can be blamed for a good many things, but not wholly for that. No, I will give my hon. friend the explanation. The explanation is this, that in the matter of the transfer it takes two to make a bargain, not one. We could transfer the natural resources in five minutes if we were prepared to give the western provinces all they wish to have. If the government has been cautious in proceeding in this matter, it has been due to the fact that we have felt and rightly felt, that the government, in the matter of the transfer to the provinces of these natural resources, has a great trust for which it must have regard.

Mr. EDWARDS (Frontenac): The difficulty was that you had three making a bargain, instead of two.

Mr. MACKENZIE KING: Three?

Mr. EDWARDS (Frontenac): Yes; this government, the Alberta government, and the hon. member for Labelle (Mr. Bourassa).

Mr. BOURASSA: I am glad to learn that.

Mr. MACKENZIE KING: I think what my hon. friend from Frontenac-Addington (Mr. Edwards) really has in mind is that Sir Robert Borden had a third in his party on that question, and that he himself made the third.

To come to what actually has taken place with respect to the endeavour of the government to settle this question, I would point out that in the first instance the question was taken up with the three provinces combined. We assumed that that was the wish of the western provinces, but it was discovered after a preliminary conference that very little headway could be made in the settlement of this question by meeting the provinces collectively. It was then decided to endeavour to settle with each province separately, and that step was justified by the fact that a little later we were able to come to an agreement with the province of Alberta, though still unable to come to any agreement with the other two provinces.

My hon. friend the leader of the opposition asks why Manitoba is treated in a different way from Alberta. The answer is this. The province of Alberta and ourselves were able to come to definite terms with regard to a settlement.

Mr. EDWARDS (Frontenac): Was that in 1926?

Mr. MACKENZIE KING: Yes. We were able to come to definite terms, and were on the point of having a bill passed through this house in accordance with the terms which were then agreed upon. We were not so fortunate with regard to Manitoba. There were very difficult questions of accounting to be dealt with, and because of that we had to adopt some other method in seeking a solution. The method adopted met with the approval of the Manitoba government. We agreed upon a method and basis of settlement with Manitoba. This was a step in advance of any that had hitherto been achieved so far as that province is concerned. Not only did we reach a satisfactory method and basis of settlement, but we were in complete agreement as to the personnel of the commission that should inquire into the matter and report to this house. That commission is at work at the present time, and as soon as its report is made it will be presented to parliament. We hope it will afford the basis for a satisfactory conclusion to the resources question with that province. If Saskatchewan is still to be negotiated with, that is not the fault of this administration alone; it is because up to the present time we have been unable to concede to that province what it thinks it is entitled to in connection with the transfer. But the point that I should like to make is that in all these cases we are now further advanced than at any time during all the years that an effort has been made to reach a satisfactory conclusion.

Coming to the railway commission, my hon. friend made a rather drastic attack upon the government, charging us with having appointed to that commission worn-out politicians. I do not know where my hon. friend got the idea of worn-out politicians, unless it was from the personnel of the commission in the days when his friends were in office, for as I recall at that time two or three of its members had been members of his own party in this house. I personally do not think these gentlemen were worn-out politicians; I cast no reflection upon the government of the day in the appointments they made. But I do say that this government in filling vacancies on the board has appointed as members men who have been well qualified for the position. For instance, the government has appointed the Hon. Mr. McKeown as chairman of the commission. Mr. McKeown was called from the bench to that position. He was not in politics, but he replaced a gentleman who had been appointed to the board from the political field by hon. gentlemen opposite. We have reappointed Mr. S. J. McLean. Mr. McLean was appointed originally by the government of Sir Wilfrid Laurier, and has been continuously on the commission from that time. He has had no association with politics whatever, and so far as his appointment is concerned I think my hon. friend's remarks will not apply.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: I might mention the other members of the board, but I do not know to whom my hon. friend is alluding. I wish he would tell us frankly the personnel to which he takes exception. Every other member of the commission appointed by the government was selected because of his wide knowledge of public affairs and because of a belief in his ability to carry out its duties in a satisfactory way.

I come now to immigration, and my hon. friend's reference to the paragraph in the speech from the throne on this subject. He attacked our policy because, he said, a large number of the British miners who had been brought out to this country to help in the harvesting operations in the west had returned to England. May I say to my hon. friend at once that the bringing out of the miners had nothing to do with immigration, except indirectly. Our hope certainly was that many of the miners would see the advantage of remaining in this country.

Mr. BENNETT: They are included in the immigration returns.

Mr. MACKENZIE KING: Those who stayed.

Mr. BENNETT: No, the whole lot.

Mr. MACKENZIE KING: The criticism of my hon. friend, I gathered, was that the miners should have remained in Canada as immigrants, and that because all had not, our immigration policy, had in this regard, fallen down. In bringing miners over to help to harvest the crops in the west we were simply extending to Great Britain a policy which in former years had operated within the Dominion, the policy of bringing in the harvesting season from our eastern provinces men to help as harvesters in the west. Some of them stayed there after the harvest, but most of them returned to their home provinces. A large number of the miners have remained in Canada; a still larger number, it is true, returned to Great Britain. My hon. friend takes exception to some contribution to their return passage. It was the understanding arrived at in advance of their coming, that if they were unable to find employment to justify their remaining here, then the transportation companies would be responsible in part to see that they were returned to the old country.

Mr. WOODSWORTH: May I ask the Prime Minister, if the primary purpose of the government was to supply harvesters for the west, why was it that the later excursions from both British Columbia and the maritime provinces were cancelled?

Mr. MACKENZIE KING: I am sorry that I cannot give my hon. friend an answer at the moment, but no doubt in the course of time the Minister of Immigration (Mr. Forke) will supply the required information.

Now, may I refer to another matter in which the leader of the opposition appears to have come more into agreement with the government than in former years? A very substantial paragraph in the speech from the throne relates to the recent appointment to Canada of representatives of the governments of Great Britain, of France and of Japan, and also to the appointment which has been made by Canada of a minister to Paris, and the contemplated appointment of a minister to Tokyo. My hon. friend says that we may pass over this matter and leave it at the point where we discussed it last session. I take it that since that discussion my hon. friend has seen that these steps not only are approved by the country generally, but that they are in the right direction, and that as the speech from the throne says, we may expect as a consequence of this development a better understanding between our country and the countries to which I have referred, and more in the way of cooperation in matters of mutual concern.

May I say that I was not a little surprised at the reference by the leader of the opposition to the multilateral treaty and to the statement in the speech from the throne which says that it will be submitted to parliament for approval. Just why he felt called upon to go out of his way to enlarge on certain articles which he says are appearing in some of the periodicals and press of a neighbouring country, I am unable to tell. Instead of questioning the good faith of any one I prefer, myself, to follow the example of the Secretary of State for Foreign Affairs in Great Britain, the Right Hon. Mr. Chamberlain, who, when asking the British government to give its approval to that treaty, said he believed the treaty had been passed by the United States without any reservation, and in good faith, and that the United States as well as Britain intended to live up to every word of it. That, too, is my belief, and I do not think my hon. friend, (Mr. Bennett), was called upon to send out from this House of Commons to the neighbouring country any word capable of being interpreted as implying a doubt on the part of Canada as to the good faith of the United States in respect to a treaty to which that country has put its name.

My hon. friend spoke of jingo articles; had he left the matter at that I should have thought he was correct, for that is what I regard those particular articles to be. There have appeared in some American journals articles of a jingoist character. But that is no reason why my hon. friend need make in this parliament a jingoist speech, calculated to throw a doubt on the good faith of the neighbouring republic. May I say to my hon. friend that if there should ever come the moment when, as between Great Britain and the United States, relations should become in the least strained—I do not suggest that anything of this nature is evident at the present time, but if this should happen—then I believe that, as never before, it will be the duty of every member of this parliament, to do his part not to increase any tension that may exist but to relieve it as far as it may be in his power to do so.

Mr. BENNETT: Has my right hon. friend read the speeches in the senate of the United States—not the speeches of jingoists but those made in the senate?

Mr. MACKENZIE KING: If my hon. friend prefers to follow the example of certain gentlemen in the senate of the United States, I for my part prefer to take my example from the parliament of Great Britain and to emulate the Secretatry of State for Foreign Affairs. No speeches have been made in the British parliament of the character of that made by my hon. friend in this house; and so far as the British public are concerned, I hope they will understand, when they read the words of my hon. friend, how they happened to be spoken—

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: —and will not take those words too seriously. We all understand my hon. friend's jingoist tendencies, and I think it is important that the people of Great Britain and of the United States as well should understand them.

Mr. BENNETT: We will discuss the right hon. gentleman's tendencies later.

Mr. MACKENZIE KING: Very well; my hon. friend will have an opportunity to do so.

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: I say that the first of all duties of a public man, and certainly of the leader of a political party, is to be very careful of the way in which he refers to the domestic affairs of other countries, and doubly careful when his words have reference to the possibility of international difficulties.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: I do not think there is anything more I need add at the moment, except to say to my hon. friend that, as the session proceeds, I shall endeavour to touch upon any points that have been omitted at the moment.

One reference my hon. friend made upon which, before concluding, I should like to say a word. He spoke of the Elections Act and wondered whether the allusion thereto, in the speech from the throne, in any way portended an early election. I wish to put at rest his mind and the minds of other hon. gentlemen who may have any doubt as to the intention of the government in this particular. The government must always reserve to itself the right to judge when the proper moment comes to go to the country and make its appeal to the electorate. So far as I can see at the moment, there is no reason whatever why any appeal should be made to the country this year. I believe the country has every confidence in the government; I believe the country is prospering more and more; and unless something develops in the course of this session to cause the government to alter its present intention there will be no election until at least another year comes round, and then possibly not for another year or more.

Mr. ROBERT GARDINER (Acadia): My first duty is to congratulate the mover (Mr. Cayley) and seconder (Mr. Ferland) of the address upon their speeches last Friday. If I have any criticism to offer of the speech of the mover it is merely this, that with reference to the conditions generally prevailing in Canada he was rather too optimistic, taking all things into consideration. However, I take this opportunity of congratulating him upon his effort.

Now, we have had the privilege this afternoon of listening to the leader of the opposition (Mr. Bennett) as well as to the right hon. the Prime Minister (Mr. Mackenzie King). The prime minister has replied to the leader of the opposition, and I am not going to take up the time of the house to any great extent in criticizing the observations of either of these gentlemen. I think I have something to say of some importance to the people whom I represent and consequently I will not devote too much time to a criticism of these speeches.

One remark the leader of the opposition made struck me forcibly. While he admitted that we in Canada at the present time were enjoying an apparent prosperity, he warned the country to prepare for a possible deflation. I believe there is some truth in what the hon. gentleman has said, because we who are students of economics must know that while we have periods of prosperity, so called, these periods are always followed by periods of deflation; and it is my judgment that we in this house should take every step we possibly can to provide against the time of deflation when it comes, whether immediately or four, five or ten years hence.

One other remark I wish to criticize is the reference of the Prime Minister to the Crowsnest pass agreement. The western members know very well what this agreement means to western Canada. When we went into western Canada it was understood that we were to be protected by legislation in regard to grain rates. For war purposes this agreement was set aside for a certain period. The rates immediately went far beyond and above those specified as the maximum in that agreement.

Western members will recall particularly the year 1922 when the period of suspension of this legislation was about to expire. At that time there was a proposal in this house further to suspend the whole agreement for another term of years, and I am satisfied that had it not been for the stand which the western members took on that occasion the Crowsnest pass rates would not now be in force. I am willing to give credit to the government for everything which they finally did to make that rate agreement effective. The Prime Minister must remember that the committee which was organized to inquire into the question decided that this agreement should be suspended for a further term of years, and it was only after a review of the question again that the committee arrived at the conclusion that, as respects the Crowsnest rate agreement, the rates relating to grain should come into force on the 7th of July of that particular year. It was the western members who were primarily responsible for that agreement coming into force again. We remember also that in 1924, in order to make the agreement effective as regards grain rates, the government brought down legislation for which I will give them credit. They brought down legislation to make the rates effective on branch lines as well as on main lines, and for this the government must be given credit. At the same time, however, we must remind the government of this important fact: in order to pacify the railway companies or other interests, a part of the Crowsnest agreement was abrogated for all time; that is to say, on commodities originating east of Fort William the Crowsnest rate does not now apply at all. That is the situation to-day.

Now I wish to take a little time to go through the speech from the throne and make a few remarks with regard to some of the items therein dealt with. I have not the time at my disposal to discuss every item, but I am going to deal with a few in which I am more particularly interested.

The first question to be considered is that of prosperity. I want to ask the government, where is the prosperity in Canada to-day? Are the working people prosperous? Are the farmers prosperous? I want to say that as far as my knowledge goes there is very little added prosperity among these particular classes, and after all they are the more important classes in this country. I am quite willing to admit that in certain quarters there is great prosperity, but as yet that has not reached the masses. Consequently it is futile for the Prime Minister and his colleagues to intimate to the people that we have great prosperity among all classes in this country. I notice one very significant change in the way the part played by Providence in the production of our great crops is dealt with. I remember that in past speeches from the throne Providence was always given the credit for producing great crops in Canada, but now we find that the government has come to the conclusion that the farmers have some responsibility and deserve some credit for these great crops. This year we find the farmer sharing with Providence in the production of the great crops of this country, and with regard to the speech from the throne I think this is a very decided improvement.

Reference is made to the national research laboratories, and I commend the government for pushing to a conclusion this feature of last year's legislation. However, there is one point which I would impress upon the Prime Minister and his colleagues; in conjunction with the research laboratories there should be a bureau of standards. To-day the Canadian people have very little knowledge of what they are buying, while in the United States the bureau of standards gives the people a proper intimation of the different articles or commodities offered for sale from time to time. Under these circumstances the people of the United States are in a better position to judge as to the relative values of the goods offered for sale. I merely make that suggestion; no doubt it will take some time to get these research laboratories started, but I believe a bureau of standards should be created at the same time.

The speech from the throne also deals with the Hudson Bay railway, and calls attention to the fact that the railway is very close to Fort Churchill. I wish to take this opportunity of congratulating the government and particularly the Minister of Railways; since he has undertaken to create a port on Hudson Bay together with a railway leading to it, he has worked very hard. We all trust that when the Hudson Bay railway is completed and the facilities at Fort Churchill are sufficient to handle the business likely to go there, that port will be satisfactory in all respects as far as western Canada is concerned. I particularly congratulate the Minister of Railways for his efforts in that regard.

The next matter I wish to discuss is the question of immigration. My hon. friend the leader of the opposition dealt with this question, but I propose to bring before the house the viewpoint of the western farmer. I desire to read to the house the passage in question from the speech from the throne; the leader

of the opposition has done so already, but I wish to place a different interpretation upon it. It is as follows:

A flow of immigrants commensurate with Canadian requirements and selected strictly for their ability to promote the general prosperity of the country is being satisfactorily maintained.

I am going to turn my attention now to the Minister of Immigration (Mr. Forke). I remember that when he sat in our group he always maintained that more people were required in this country, and evidently he still holds to that point of view. But prior to his acceptance of his present high office his view might have been put in these words: "If you create conditions in Canada which will give the masses of the people an opportunity to make a good livelihood, you will have no need for an immigration policy. They will come here of their own accord." Indeed, I have heard him say that the great trouble would be to keep the people out. Does the minister still believe in that policy, and if so, what is he doing to bring it into effect? What efforts is he making in the councils of his colleagues to make conditions in Canada so good that people from all over the world will be rushing to this country and we will have great trouble keeping them out? Later on he will have the opportunity to give this house some idea of his efforts in that regard, but it seems to me that the present immigration policy is not satisfactory to anyone. I do not know of any person who is pleased with it, although I may say that since I have been a member of this house I have not known of a government policy, whatever the party in power, which was satisfactory to everyone. We must admit that the question of immigration is most difficult, and after all I think if we went back to the policy held by the Minister of Immigration before he accepted his present high position, we would be on safer ground than is the case at present.

I wonder very often whether the people of Canada, and particularly the members of this house, realize how quickly Canada has recovered from her post-war troubles. There is no question in my mind that, considering the length of time we took part in the war, Canada has recovered from her post-war difficulties to a greater extent than almost any other country so engaged. In my judgment the reason for this is very obvious to any person who will give the matter a little consideration; the reason is that we have tremendous natural resources in relation to our population. Taking into consideration Canada's present population we have wonderful natural resources on which the attention of the people has been focussed in the production of new wealth, and this to my mind has been the large factor in our remarkable recovery. In these circumstances we must realize that if we bring in a great volume of immigrants and the natural resources of the country become controlled by private individuals, it is quite reasonable for us to expect that we will not have even to the present extent the prosperity which would be ours with a smaller population. I am one of those who believe in letting this country grow naturally; I think the big trouble with Canada to-day is that people are always tinkering with it. If they would let it grow in its own way I believe everyone would be satisfied with the situation in a comparatively short time.

There is one point to which I wish to direct the attention of the Prime Minister and his colleagues, and more particularly the Minister of Immigration (Mr. Forke). While it is quite true that British immigrants of all classes are permitted to come into this country, provided they can pay their fares and are mentally and physically fit, yet, in so far as the great bulk of the efforts of the department are concerned, there are three classes in which they are trying to secure new immigrants. These are domestic servants, farm labourers and agriculturists. Personally I am quite willing to compete against any farmer who cares to come to this country, but I do not want to be placed at a disadvantage in so far as that competition is concerned. I would like to see all other classes admitted to this country on the same terms as the agriculturalists. I do not see any reason why we farmers should be subject to the competition of new agriculturists coming into this country while the professions and even the working classes of Canada are being protected against such competition. We maintain that the time has come when this immigration question should be treated in the broadest way, and I take this opportunity of raising my protest against farmers being subjected to competition which other classes are not subject to.

Something has been said this afternoon with reference to the miners from Great Britain. The Prime Minister, in replying to the leader of the opposition, stated that the real reason why the government brought these miners in, or allowed them to come in, was that they might assist in harvesting operations in western Canada. I accept that statement as being the correct explanation of the situation. I would like to mention a little experience I had with a man who was working for me. This man came from Great Britain some seven years ago. He came out

as a youth and worked in Ontario. After he had been here for some time he thought he would come to the west. He told me he was in Great Britain last winter and he saw all kinds of placards saying to the people of Great Britain, "Come to Canada and secure $5 to $7 a day for every day you care to work." I maintain that is misleading and if it is within the power of the Immigration department to stop that kind of propaganda, it is the duty of that department to stop it as quickly as possible. We know there is no possibility, unless the circumstances are exceptional, of people coming from Great Britain and securing $5 to $7 per day. The average man is not worth that much because nobody can afford to pay it; they have not got the money.

Mr. DONNELLY: Was it not paid all over the west last fall, $5 to $7 per day; it was in my district.

Mr. GARDINER: You speak for your own district and I will speak for mine.

Mr. DONNELLY: That is not answering my question.

Mr. GARDINER: I said that this propaganda was spread about in Great Britain, that if they came to Canada they would receive from $5 to $7 per day for every day they cared to work; that was my statement. It is this propaganda in Great Britain that I object to.

These miners were brought out long before the harvest was ready. In our particular district the crops were coming in a little earlier but they were there even before our crops were ready. If you went down and said to these fellows, "Look here, our crops will not be ready to harvest for ten days. We will give you a job and pay you $2 or $2.50, give you your board and room and washing and everything," what was the reply? They said, "Before we left Great Britain we were promised $5 to $7 per day for every day we worked, and we are not going to work for any less." We were merely trying to help them out of their trouble. I am complaining about the propaganda which was carried on in Great Britain, and I trust the minister, if he possibly can, will see that that is rectified at the earliest possible moment.

Mr. FORKE: I do not like to interrupt, but I think the hon. member will excuse me when I state that no such statements were ever given out by the Immigration department, nor do I think they were given out by the British government. You cannot prevent people putting up statements of that kind, but I do not think any of the governments responsible had anything to do with them.

Mr. GARDINER: I do not blame the department as I feel it was probably the transportation companies that were responsible. But that being the case I would suggest to the minister that his department publish the actual truth and let people in Great Britain know that statements such as I have alluded to are untrue. Then, when they come to this country, they will be better satisfied because they will know what they are up against.

I would like to take a few moments to deal with the railway situation. We expect this year a branch line program from probably both railways. I would like to draw to the attention of this house, the different methods of dealing with the two railway systems, the Canadian Pacific and the Canadian National. When the Canadian Pacific desire to project a branch line, they bring their bill before this house and the house grants them a charter. They state in that bill where they are going, and they secure two years' time in which to start that branch and five years in which to finish the work. If the work has not been completed the charters are renewed from time to time.

But the Canadian National system has not the same privileges as the Canadian Pacific. They cannot come to this house except when they make an actual proposal to build, and they receive the consent of parliament and the sum of money necessary to build that particular branch line. I maintain that under these circumstances the Canadian National is not being treated fairly by this house; that the time has come when these two railways, in so far as charters are concerned, should be placed on the same plane. It should then be left to the house to determine, where the two companies are competing for the same territory, which company should go into that particular territory. I know of several cases in western Canada where branch line programs were turned down by another chamber years ago and where the other railway has gone in and secured a charter and preempted the territory which, to all intents and purposes, the Canadian National was building into. I merely make the suggestion that the two lines be given equal opportunities in that regard.

Branch lines are badly needed in the west, and I believe they are badly needed in other parts of Canada as well, but I can only speak for the territory with which I am familiar. I merely say that the time has come, in my

judgment, when the branch line program should give the people the service that is required.

Mr. DUNNING: Will my hon. friend permit a question regarding that branch line matter? Do I understand him to advocate that the Canadian National should also be given charter rights in advance of the actual money bill passing this house? Does he mean to go back to that system with respect to the Canadian National?

Mr. GARDINER: I would prefer to see the matter handled either way; that until such time as the Canadian Pacific are ready to build they should not receive any charter rights any more than the Canadian National. You can use whichever method you like, but I would prefer the same system for the Canadian Pacific as is now used for the Canadian National, provided that system could be used effectively.

Mr. DUNNING: That is the difficulty.

Mr. GARDINER: I am going to take the rest of my time to deal with a matter of vital importance to the farmers of western Canada, namely, the question of the Canada Grain Act.

The first statement I wish to make is that while the crop of last year is the largest ever grown in western Canada, it is my humble judgment that that crop was not produced at a profit. I am not going to say that it was produced at a loss, but the margin received by the farmer was so close to the cost of production that we can say that the crop was not produced at a profit. I think I can say that the crop was probably the greatest disappointment of any crop that has been grown in the west for many years past. This was due to climatic conditions, frost, hail and so forth, and consequently we cannot blame any one in that regard. The idea, however, seems to be prevalent, particularly in eastern Canada, that the farmers this year made a tremendous amount of money out of wheat. If you go into the small towns in western Canada the merchants there will tell you very quickly that the farmers at the present time have no purchasing power and consequently they could not have made a great deal of money out of wheat. Indeed, I am satisfied they did not make any money at all and if they broke even, they were lucky.

In a year like this it is only natural that the grading system should come under review and criticism by the person who produces the commodity. This year has been no exception to the rule. I have heard more criticism this year than I have ever heard before directed against the grading system and the farmer feels that the time has come when some better system should be evolved in regard to grading his wheat. The farmer maintains that the present system does not determine to any great extent the milling value of his product and it is on the basis of the milling value of his product that he receives a price for that commodity in the markets of the world. In view of the investigation of the agricultural committee last year into this question and the possibility of the matter arising again out of their report, I am not going to suggest any particular method or any particular change. I hope, however, that something may be done. The farmer of the west feels that just so long as the personal element enters into the question of grading his product, he will never have a satisfactory system, and I hope that ways and means will be found by the agricultural committee of bringing in a system that will be more satisfactory in determining the milling value of this particular commodity.

The greatest criticism, however, is being levelled at the present time in western Canada against the Board of Grain Commissioners and it is my purpose to deal for a few minutes with this commission. The Board of Grain Commissioners was appointed to administer the Canada Grain Act. That is its duty and function. The farmers of the west claim that the commission has not been administering the act as it should be.

Before I proceed further, let me inform the house that all the expenses of the grain commission in regard to inspection weighing and all the services which it provides, are paid for by the farmers themselves. Certain charges are levied against each car of wheat, to the extent of two dollars, I believe, and those charges cover the expenses of the grain commission and all they have to do in connection with the administration of the act. Therefore the administration of the act does does not cost the people of Canada anything. Under those circumstances we say that we want a board of grain commissioners that will interpret and administer the act as the House of Commons intended it should be administered.

The greatest criticism of the Board of Grain Commissioners is with regard to what they call this "hybrid" or "high-powered" ticket for special binned grain. This ticket has been issued and forced upon farmers even though they have refused to accept it. The Board of Grain Commissioners in letters that I have seen have stated to farmers who have

objected to this form of ticket that the board thought the ticket was all right and that the farmer should accept it. I challenge any member of this house to show where the board ever received authority from the Canada Grain Act to make such a statement.

Mr. MALCOLM: I will answer that question, but not at the moment.

Mr. GARDINER: Do I take it from the remarks of the Minister of Trade and Commerce (Mr. Malcolm) that the government have passed an order in council permitting such a ticket to be issued?

Mr. MALCOLM: Yes, and I will explain the whole thing when I speak.

Mr. GARDINER: If that be so, it is news to us. We would like to receive some explanation as to when this order in council was passed.

Mr. MALCOLM: I would like my hon. friend to continue his speech. I will answer him when I speak.

Mr. GARDINER: Well, I will continue to discuss the matter as I see it. I have before me a letter received by me this afternoon from the Deputy Minister of Trade and Commerce. I requested him to send me copies of all orders in council dealing with the special binned ticket. I have his letter and the reference before me, so I take it that in so far as this "highpowered" ticket is concerned—

Mr. MALCOLM: I do not know what my hon. friend is referring to. Will he explain that word?

Mr. GARDINER: In western Canada we call it a "highpowered" or "hybrid" ticket. That is a pet name we give to it. To explain more clearly what I mean, may I say that in the schedule of the Canada Grain Act dealing with those tickets, you will find that the special binned ticket reads as follows:

Received into store from—

Then there are inserted the name of the farmer from whom the grain was received, so many bushels, pounds and so forth. The ticket which the companies have been issuing and which the farmers take exception to, reads as follows:

Received into store on account of the Alberta Wheat Producers, Limited—

If an order in council has been passed permitting such a ticket to be issued, of course the government will have to be responsible for that. But in view of the fact that the Deputy Minister of Trade and Commerce sent to me this afternoon all the changes that have been made in these tickets, and as I do not see in the correspondence any ticket which is at all like the one that we call the "hybrid" ticket, I must assume that no order in council has been passed in that regard.

Mr. MALCOLM: Has my hon. friend the orders in council?

Mr. GARDINER: I have them here.

Mr. MALCOLM: I do not know what ticket he refers to when he uses the word "hybrid". I never heard the expression before.

Mr. GARDINER: I am dealing with the special binned ticket. An order in council was passed amending the special binned ticket in order to bring it into conformity with the amendment of 1927 known as the Campbell amendment, but in this list there is no order in council granting companies power to change the form of a ticket.

Mr. MALCOLM: My hon. friend is quite right. The orders in council simply brought the ticket into conformity with the act.

Mr. GARDINER: That is satisfactory. Now that we have the explanation I want to deal with the matter. I take it there is no order in council passed which would permit the Board of Grain Commissioners to authorize a ticket to read:

Received into store on account of the Alberta Wheat Producers, Limited...

Mr. MALCOLM: I do not know what my hon. friend is referring to in that particular instance. The order in council passed by the government simply brought the wording of the ticket into exact conformity with the wording of the Campbell amendment which was an amendment to the grain act.

Mr. GARDINER: That clears the air. That is quite satisfactory. The Board of Grain Commissioners have gone outside of their power in permitting this "hybrid" ticket to come into existence and be forced upon the farmers and under those circumstances they are not worthy of the position they hold and we demand their removal. Let me explain the reasons why.

Mr. MALCOLM: I have never seen the ticket that my hon. friend claims is illegal. I want to be fair to the board.

Mr. GARDINER: That is very easy to explain. This special bin ticket which was provided for by order in council to bring the act in conformity with the provisions of the Campbell amendment, states:

Received into store from—

Then there are inserted the name of the farmer who delivers the grain, the number of bushels and so forth. This hybrid ticket reads as follows: "Received into store, on account of the Alberta Wheat Producers Limited," instead of receiving it from the farmer. Consequently, the farmer is prevented from sending the grain to a terminal of his own choosing, because it has been received on account of the Alberta Wheat Producers Limited.

Mr. MALCOLM: Is my hon. friend pointing out that there has been substituted for the name of the farmer the name of the Alberta Wheat Producers Limited?

Mr. GARDINER: Yes.

Mr. MALCOLM: By consent of the board?

Mr. GARDINER: By consent of the board.

Mr. MALCOLM: And the board, I presume, gave their consent to that because the Alberta Wheat Producers Limited control the grain of the farmers who belong to the pool.

Mr. GARDINER: No, no. I have before me the contract which I signed, and so far as that contract goes, I defy any member of this house to show that I have to deliver my grain to the wheat pool at any given point, except under special instructions from them. It is within my power to deliver to a local elevator, if I so desire, or to ship in carload lots to a terminal elevator of my own choosing, or to deliver to the terminal of the pool. There is nothing to prevent my delivering the grain at any point I choose, except upon special request of the pool. That is the whole matter that is under discussion at the present time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GARDINER: Mr. Speaker, when the house rose at six o'clock I was discussing the administration of the Grain Act by the Board of Grain Commissioners. As I have only another two or three minutes at my disposal I merely wish to make this concluding statement.

After reading the order in council passed by the government to bring the Grain Act into conformity with the amendment of 1927, I absolve the government of any responsibility for the "high power" tickets that were in use in western Canada last fall, and I place responsibility where responsibility belongs—on the Board of Grain Commissioners. Referring again to the special binned grain ticket, I would merely call the attention of the house once more to the part of the ticket which we believe the Board of Grain Commissioners are responsible for bringing into use:

Received into store from—

Then follows a space for the insertion of the name of the farmer who delivers the grain. The "hybrid" ticket which I have seen reads as follows:

Received into store on account of the Alberta Wheat Producers Limited.

We maintain that by virtue of such change being allowed the farmer was deprived of the right of controlling the destination of his grain, and to that extent the change is a violation of the Canada Grain Act. We submit that the Board of Grain Commissioners are responsible for this violation, and therefore we ask that the present board be dismissed—no question about that—and that a new board be appointed. We suggest that the board be increased from three to five members, and that one of those members reside in Alberta and another in Saskatchewan. We recognize the influence of environment. Two of the present grain commissioners live at Fort William and the third at Winnipeg, and in their environment we believe that they are likely to be impressed by the grain trade to too large an extent. Consequently, for safety, we maintain that the board should be increased to five members, one of whom should reside in Alberta and another in Saskatchewan.

My time having elapsed, Mr. Speaker, I may be permitted to add that we farmers in western Canada hope that this house and the government will assist us in preserving our rights under the Canada Grain Act.

Mr. JEAN-FRANCOIS POULIOT (Témiscouata) (Translation): Mr. Speaker, my first duty is to extend to you my sincerest congratulations for the magnificent series of lectures which you have lately delivered at the Sorbonne. Indeed, sir, although a great number of eminent lecturers were heralded at the time, your lecture was always looked upon as "the lecture". Each week your audience comprised the "élite" of the French people because your course bore the symbolism of the great fresco of Puvis de Chavannes and the realism of "tableaux vivants." You have given proof to France that French Canada never forgets. At the same time, your experience as a statesman has enabled you to point out the close connection of events, the why and the wherefore, the relation existing

between the cause and effect, and there lies the reason of your splendid success in the "Ville Lumière."

I have only two matters to bring to your attention to-night, Mr. Speaker. One has to do with a statement made in Montreal by the hon. member for St. Lawrence-St. George (Mr. Cahan), who on December 15 last spoke at a dinner given to the mayor of Montreal, who is also the member for Ste. Marie in the Quebec legislature. I would not take any notice of the statement but for its reflection on the Quebec members of this house. The first paragraph is very interesting. I am quoting from the Montreal Gazette of December 17, 1928, at page four:

Though the Conservative party suffered a disastrous defeat in 1896 from which it has not yet recovered, because of its efforts to maintain the spirit of the confederation pact in the matter of the schools of the province of Manitoba, yet the Conservative representatives from this province at the recent Conservative convention in Winnipeg, again secured the unanimous adoption of a resolution maintaining the traditional policy of their party in the matter of the schools of Alberta. That in itself indicated what you may accomplish by cordial cooperation with the Conservatives of other provinces of Canada.

For the benefit of argument, suppose for a moment we admit that the Conservative party is more friendly to French-Canadians than any other party. Now let us see what this martyr has to say about the way he has been treated by his own party. The hon. member continues:

Nevertheless there are tens of thousands—

Not only the member for St. Lawrence-St. George but several others.

—of English speaking Conservatives who have voluntarily sacrificed all hope of personal political preferment—

And I direct this to the attention of the leader of the opposition (Mr. Bennett).

—by reason of their persistent efforts in defence of your traditions,—

That speech is addressed to French-Canadians.

—your rights, your privileges and your interests, of which the Conservative party in times past has been the chief support and stay.

Here is a strange contradiction. In the first part my hon. friend says that the Conservative party is the party which is friendly to French-Canadians, and in the second part of his remarks he declares, "Well, we ourselves have had trouble with the same party because we have defended your rights". This is inconsistent. I should not have believed my hon. friend had said it had it not been quoted in a Tory paper. If it is true that the Conservative party is the party which is friendly to French-Canadians, how is it that so many Conservatives have suffered preferment because they have defended the rights of French-Canadians? If it is true that my hon. friend suffers now because he is supposed to have defended French-Canadians, how can his party be friendly to French-Canadians? That seems rather inconsistent and illogical in one of the brightest minds in this house. Let us continue—and here is a slur on all French-Canadian members from Quebec and even English members from that province who represent constituencies in this house. The hon. gentleman goes on:

What is the result to-day of the maintenance of the Liberal political bloc? Numerically, the Liberal representatives from the province of Quebec form the majority upon which the present government of Canada depends for a continuance of its political existence; yet, nevertheless, they are bound hand and foot to another, western, bloc, which actually exercises complete control, and whose economic theories and economic policies are subversive of your obvious material interests, and they the Liberal representatives of this province, are so obedient to the crack of their party whip that they always become dumb and speechless when issues, pregnant with dire import to you, to your province, to your ideals, to your traditions, are under discussion in the parliament of Canada.

I do not understand how one of our colleagues in this house can use such language in reference to sixty-one members from one province. I do not share the views of hon. gentlemen opposite; they have their own views and we have ours. But we respect each other. I do not believe we are all saints; no one of us is a saint, but we do our very best, and I believe my hon. friends opposite do the very best they can with a bad cause. I give them credit for their efforts. But no one has ever heard a member from Quebec say that all the members from Ontario or from any other province are not doing their duty in the House of Commons. Who ever heard such a statement? I find this very strange, and I could hardly have believed that this speech had been correctly reported had I not heard it myself on the radio. I was astounded to hear a respectable member of this house directing such remarks against sixty-one members who, while they do not share his political views, nevertheless hold him in respect.

May I quote one of the contemporaries of my hon. friend, the member for St. Lawrence-St. George—a man who, it is true, died some time ago. I refer, sir, to St. John Chrysostom, Bishop of Antioch, who lived in the fifth

century A.D. On one occasion St. John Chrysostom, quoting the scriptures, said: "The wounds of one who loves are better than the kisses of one who hates." The hon. member for St. Lawrence-St. George—I am sorry he is not in his place—kisses the province of Quebec, but he tries to wound the members of that province. Let me add, however, that like the old mortars the noise is great while the range is short. And perhaps the unsuccessful Tory candidates in Quebec at the last general election owed all their troubles to the fact that they had, as an amulet for good luck, one hair of the Prophet's beard. I think this closes the incident.

May I now say a few words with reference to a matter of momentous importance. I refer to a question of principle which was brought up in the house last year and which I now bring forward again with the support of six of the nine premiers of the provinces of this Dominion—the question of public offices held by aliens. I have prepared a brief memorandum on the question. It reads:

In virtue of subsection 25 of section 91 of the British North America Act, aliens are under the exclusive jurisdiction of the Canadian parliament.

The first paragraph of section 123 of the Cities and Towns' Act of Quebec (revised statutes of Quebec, 1925, chapter 102) enacts that aliens cannot be put in nomination for nor elected to the office of mayor or councillor nor can they be appointed to any other municipal office. Article 227, paragraph first, of the Quebec Municipal Code is to the same effect.

In 1926, in an act to incorporate the City of Arvida (16 Geo. V, Quebec, chap. 78, sec. 36), the legislature of Quebec enacted the following section:

"36. The following section is added for the city of Arvida, after section 123 of the Cities and Towns' Act:

'123a. Notwithstanding the provisions of section 123, aliens may be appointed to and hold the office of manager and the offices to be filled by appointment by the manager'."

During the last session, the legislature of Quebec passed an act to incorporate the town of Racine. Said act was assented to the 22nd of March, 1928. (18 Geo. V, Quebec, chap. 105).

Section 36 of said act is exactly the same as above mentioned section 36 of the City of Arvida Act.

By section 11 of 18 Geo. V, Quebec, chapter 105, Messrs K. B. Bolton and J. Reidy Smith are appointed aldermen of that city.

On May 25th ultimo, I was informed by the Department of the Secretary of State that those two people have never been naturalized, and in fact they are not.

This is the memorandum which sets the question before you, Mr. Speaker. I sent copies to the premiers of all the provinces, and the first reply came from Hon. E. N. Rhodes, Premier of Nova Scotia, who said:

Absence from my office in other portions of the province has prevented me from making earlier acknowledgment of your letter of June 26th.

The ground you take with respect to the holding of office by aliens is, in my opinion, undoubtedly sound.

That is the Rhodes scholarship in constitutional law that the Attorney-General of Quebec gets from Nova Scotia. Then I had a reply from the Premier of New Brunswick, who seems to be very friendly with the Premier of Quebec, since he has copied his liquor law. He evades the question, which is on public rights; there is no question of private rights. Any man in this country can hold private property and is entitled to the protection of our laws; a man from China or a man from the United States can hold private property here and be entitled to the full benefit of Canadian law. When it comes to public rights, however, it is entirely different; private rights may be vested in any individual, but public rights belong only to British citizens by birth or by naturalization, and when a man wishes to hold public office in this country he must comply first with our laws. That is most essential; our constition contains this provision, and I am sure that statement cannot be contradicted. Here is what Hon. Mr. Baxter said:

With reference to your correspondence about the government of Quebec allowing Americans to be appointed to public positions without naturalization, I do not think I quite agree with the legal interpretation in the memorandum attached to your letter. The Dominion parliament, and that alone, can enact the conditions under which a foreign-born person may become a Canadian citizen. I do not think, however, that it is incompetent for a provincial legislature to provide that aliens may hold property of any description which the legislature may see fit. As a matter of fact, it was done years ago in New Brunswick.

The main track is my reference to Americans being appointed to public positions without being naturalized; the siding is in the words "I do not think, however, that it is incompetent for a provincial legislature to provide that aliens may hold property of any description," and the open switch is in the words, "it was done years ago in New Brunswick."

In a letter dated June 30, 1928, the Premier of Prince Edward Island, Hon. Albert C. Saunders says:

Let me now say in reply to the matter of your inquiry, that we have no Americans in our province and, consequently, we are not interested in the matter referred to in your letter.

This answer reminds me that Prince Edward Island is the province where they breed foxes.

In the absence of Mr. Ferguson, who was abroad at the time, I have a letter from Hon. William H. Price, acting Premier and Attorney General of the Province of Ontario, under date of June 11, 1928, as follows:

I am very glad indeed that you have brought this matter to the attention of the public. Canada should not at any time give away citizenship papers to those who have not complied with her laws. I do not think there has ever been a case in the history of this province where a foreigner has been confirmed in any municipal position. I think it would be much better if the province of Quebec had confirmed one of its own citizens, whether of French or British stock, to act as mayor of these new municipalities. I am sure it would have had a radiating influence on the American who comes in here for the purpose of making money and developing our country. I quite appreciate the point you have brought to the attention of the public and I am sure you have given a very valuable public service.

Then from Winnipeg came the answer of the Premier of Manitoba, Hon. John Bracken, who said:

I have read with interest the communications you enclosed, with reference to the towns of Noranda, Arvida and Racine. I have every sympathy with the position you take, on the general principle involved; but as to whether there are any special circumstances in these cases which would warrant a departure from that principle, I am not sufficiently informed to express an opinion. However, we shall watch with interest the outcome of the legislation.

Then we have a letter from Regina giving the answer of Hon. James G. Gardiner, Premier and Attorney General of Saskatchewan, who says:

We shall watch with considerable interest the developments in your province and draw any lessons which can be drawn from any actions which may be taken.

Then we have a letter from Hon. J. E. Brownlee, Premier of Alberta, who writes as follows:

Edmonton, 6th July, 1928.

Dear Sir:

I have your letter of the 26th ultimo and note you ask me to express an opinion with regard to the action of the government of Quebec in allowing Americans to be appointed to positions without naturalization.

I am sure you will appreciate at once that it would not be fitting for one engaged in the administration of the affairs of this province to offer any word of criticism of any action taken by another provincial government, especially when not fully conversant with the facts in each case.

The general question of appointment of persons to positions in the civil service who have not been naturalized is, of course, one of very great interest which can well be considered by the public men of Canada.

As I go from the Atlantic to the Pacific I come to my friend the new Premier of British Columbia, Hon. S. F. Tolmie, who says:

I note your request for my opinion on legislation of the province of Quebec permitting aliens to hold municipal office in certain places. I am strongly in favour of maintaining the supremacy of British subjects for all public positions in Canada. At the same time, I must remember that Quebec and British Columbia are very far apart, and as local conditions may differ widely, I would certainly hesitate before condemning the legislature of a great sister province for actions connected with their own affairs. Nevertheless your vigilance in bringing the matter to public attention is commendable, and I shall watch the outcome with interest.

The heads of six provinces say that it is of the utmost importance to see that aliens shall not hold public office in this country. I have a letter from a man who stands very high in municipal affairs in this country, and especially in the province of Quebec. The member for Three Rivers (Mr. Bettez), who is also the mayor of his city, and who was elected president of the Union of Canadian Municipalities last year, wrote me on May 28th last, as follows:

I have been very much interested in reading in Hansard the very appropriate remarks which you have made in the House of Commons Friday last, the 25th instant, with regard to public rights bestowed by the legislature of Quebec during its last session to Americans who have not been naturalized as British citizens.

In Canada, public office, whether municipal, provincial or federal, belongs exclusively to British citizens born in this country, or naturalized.

In my opinion, legislation such as that which you have denounced can bring the most serious grievances and I sincerely congratulate you upon your stand on the matter.

If this matter has to be put before the House of Commons it should be brought up by a French-Canadian. I have nothing against Mr. Taschereau. He has his good qualities and he has his defects. We cannot expect him to be perfect but it is wrong to enact legislation which encroaches upon the constitution. Americans are entitled to fair treatment in this country, but I do not believe they should hold public office unless they are first naturalized.

When a stranger comes here he is entitled to the protection of our laws, which laws are drafted by the British citizens of this country. But are we to comply with regulations drafted by people of a foreign nationality? I do not think it is fair, and that is why I ask if it is the intention of this government to veto that law. The power to veto such legislation has not expired yet.

Some of the heads of the other provinces have stated very plainly what they think of the matter. I am sure that this question will be brought before the next interprovincial conference, should one be held in the near future. I do not think it is any better for the French-Canadians to be Anglicized than it is for the English-speaking people to be Americanized. People should live according to their customs and their traditions, and individuality should not be lost in the melting-pot.

We have the greatest respect for the royal house here in Canada. In this country, as in every other British dominion, people prayed for the recovery of His Majesty the King. The King of England is a great symbol of authority. The royal family has occupied the throne of England for centuries. In the United States presidents come and go, while British royalty remains forever. I greatly admire the high ideals of the British people who put royalty above everything. They have great respect for His Majesty the King and all the members of the royal family. They are respected because they are human; they understand the needs of the people and they do their very best to help them. The prayers which were offered up for the speedy recovery of the stricken member of the royal family show that admirable reciprocity of feeling.

I have given to the house some very important documents and my friends on both sides of the house will be able to read them to-morrow in Hansard. I am sure that the Premier of Quebec will say in the Quebec papers to-morrow, "As soon as I have the full text of Mr. Pouliot's speech I will answer him." But the answer never comes because these facts are in conformity with truth.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, there is very little in the speech that would indicate any very constructive program on the part of the government. It would seem almost as though the government, being fairly well entrenched, were going to repeat what occurred in the years 1921 to 1925, when the sessions were almost barren of real legislation. I would respectfully submit that anyone glancing over the notices of motion as put in by the private members will find a more constructive program than is contained in the speech itself.

We hear a great deal about the unprecedented prosperity of the country. I would suggest that much of this so-called prosperity is fictitious. We have had considerable gambling in stocks and shares, and although there has been prosperity in certain lines, for instance in mining, the cream has been taken by a few individuals who control our great corporations. It is said that scores of millionaires have come into existence as a result of the rise in the stocks of simply three or four of these leading companies. As one, however, goes through the country, one fails to see any evidences of this much heralded wealth. In Saskatchewan, where I spent some weeks last summer, I was told in various districts that not since the pioneer days had land been as low as it is to-day. In Ontario it is very difficult to sell any farm that one may wish to get rid of, and one has only to go down to the maritime provinces to find abandoned farms on every side.

When we come to our industrial life I would suggest that prosperity has not yet been made manifest in any larger wage being paid to the ordinary wage earner. There are no very recent figures with regard to this matter, but at the census of 1921 some very interesting figures were taken as to the distribution of our wealth. With respect to my own city of Winnipeg there is a table which shows the wage earners of ten years of age and over. This includes managers, bankers, brewers, doctors, clergymen, also some twelve judges and justices, these latter earning an average of $8,111 each. Altogether including these there are 46,223 male wage or salary earners and their earnings amount to $63,520,716, or an average of only $1,374 each. Any careful computation of the cost of living in this country will put the cost, in order to maintain a decent Canadian standard, at two-thirds as much more.

As regards labour, from 1917 to 1925, the figures for which are the latest available, the efficiency of production has increased 28.5 per cent, but in 1925 the number of employees relative to the number in 1917 was only 87.5 per cent. Those are very striking figures—increased production but decrease in the number of employees. During that period the real wages advanced by only about 10.2 per cent and the prevailing percentage of wages to total production was not much larger. The average wage in all the manufacturing establishments in 1925 was only $971. Again let me remind the house that according to evidence presented before a committee of the house it was said to take almost twice that much in order to maintain a Canadian family according to what we regard as Canadian standards of living.

I would point out that employees of this government are receiving considerably less than $1,000 a year. If we are so prosperous and if we are able to reduce our debt at such

a rate as our papers tell us is the case, it would seem that the least we can do is to see that our postal workers and others of that class receive a higher wage than they are receiving to-day.

But the trouble is not merely with the wages, but with the fact that there is such a large measure of unemployment. The departmental figures do not at all show the volume of unemployment, and as the superintendent of employment service said, in evidence given under oath before the committee last year, during periods of depression a smaller percentage of the total number of unemployed was registered in our offices than in periods of prosperity when opportunities for securing work were greater. This simply means that when there is very little work to be had, the men refuse to go to the employment bureaux, and so the figures that are often quoted do not really mean very much. Let me give some idea of the situation by quoting a news item from the Winnipeg Free Press of January 9 of this year. Let me say that the superintendent of employment service verified these facts for me. This is the clipping:

"Some of them are suffering actual hunger," said J. A. Bowman, this morning, superintendent for Manitoba of the Dominion employment service, in reference to a portion of the 600 unemployed men who haunt his office daily asking for work. The majority are single men and most of them are willing to take any kind of a job anywhere, he said, but no work is available.

That is true in most of our cities to-day. I turn to Vancouver, for example, and I find this warning issued by the city of Vancouver to the unemployed:

Unemployed Men Take Notice!

You are warned to keep away from the city of Vancouver this winter. No Work, No Doles. This corporation has laid down a plan to deal with the unemployed relief as follows:

(1) That absolutely no doles be given;

(2) That work such as breaking rock, clearing land, cutting wood, and moving dirt be provided for extreme cases of indigents only, after investigation, and as a relief measure, at two dollars per day for married men who are bona fide residents of the city, and one dollar in the form of meal and bed tickets per day for single men.

By order,

City of Vancouver.

That does not look like abounding prosperity for a very large and important class of our citizens, the transient workers, who have done an immense amount of the hard work of building our roads and cutting down our forests.

[Mr. Woodsworth.]

I come further east and recently the Montreal papers have been giving quite a bit of publicity to the health survey which was made a short time ago. I give a summary of this from the Montreal Daily Star:

The survey revealed:

That the amount of money officially expended on public health in Montreal is lower than that of any of the twelve large cities with which comparison is made, being little more than one-half of that spent in New York city on a per capita basis and less than one-third of that of Pittsburgh.

That the infant mortality rate, although showing signs of betterment probably due to the improvement of the milk supply—is far greater than that of any of these twelve large cities, being more than twice that of New York and approximately 30 per cent higher than any other.

That the number of deaths from diarrhoea and enteritis in children of two years and under is the highest of any of the twelve large cities of the continent with which comparison is made, having a larger number of cases than New York with a population more than five times greater, and being more than twenty times higher than Rochester, nearly four times as high as Boston and nearly three times as high as Philadelphia and Detroit.

That the general death rate in Montreal is higher than that prevailing in any of the twelve large cities compared.

That the number of cases of diphtheria—a wholly preventable disease—was 1,854 last year, with 219 deaths, and that for the last fifteen years the number of diphtheria cases has never fallen below 1,000 and the number of deaths below 130.

That the inspection of school children is inadequate and inefficient and that educative work throughout the city, while showing an awakening in recent years, is still far below the standard of cities of similar size.

While it may be all very well for us to pass resolutions expressing our gratitude for the restoration to health of the King of England, it seems to me that this house has some responsibility for those thousands of preventable deaths in our own country.

Let me go still further east, if you like, and take another set of conditions that actually exist. A report was recently made by the City of Sydney Ministerial Association with regard to the long working hours and the wages paid in that great industrial plant in that city which has received a very high degree of protection and very great consideration from this parliament in times past. I quote a few paragraphs from the report of that committee:

For the continuous operations, consisting of the coke ovens, blast furnaces and open hearth departments, involving approximately one thousand men, the day term is eleven hours, and the night thirteen, throughout a seven-day week; that is, the men in these departments work an average of eighty-four hours every week—66 for the week on day duty and 102 for the week on night duty.

Again, the report says:

We believe that the plight—it can scarcely be called other—of the some one thousand men in the continuous operations is a scandal and a shame. To be on light duty, under the most favourable working conditions from eleven to thirteen hours were trying enough, but when we know the necessarily almost intolerable conditions in which these men have to work, heavy manual labour in gas, smoke, heat, and in some cases exposure to the elements, summer and winter, the situation is nothing less than appalling, and their treatment utterly abhorrent to the dictates of humanity. The only argument advanced by the management is the financial one—we are not in a position to give a general increase in wages nor the eight hour day.

Remember, this is in a time of overwhelming prosperity. The report goes on:

Should the condition of the men with respect to wages and hours not be the first charge upon the profits of the industry?. . . Of the operating surplus $2,000,000 has been retained for depreciation.

And this query is put:

Should $2,000,000 of the profits of the industry, which the men at least had helped to make, be set aside, not for repairs, for these were taken care of in course of the operations and charged to them, but for future replacements, while not a cent of this amount has been allowed for the better condition of the human element in the industry? Unfortunately, it costs the industry little or nothing to replace men—there is nearly always a surplus of labour.

I do not think I need to add any further comment.

We are told in the speech from the throne:

A flow of immigrants commensurate with Canadian requirements and selected strictly for their ability to promote the general prosperity of the country is being satisfactorily maintained.

I shall not go outside the official statement of my own city of Winnipeg, in its report on unemployment relief for 1927-28. It seems that last spring the Department of Immigration and Colonization registered the unemployed in Winnipeg. Out of 837 registered, 453 came to western Canada between December, 1925, and January, 1928, and of that 837, only 84 were Canadian born. Although most of these immigrants came for farm work, 507 of them were unwilling to take up that work. Now I quote the report itself:

The spring unemployment situation brought to light the fact that country jobs are not being placed with the employment service of Canada, but that the Immigration department and the two large transportation companies and the land companies are obtaining them direct from the farmers through their very active work along this line as compared with no activity so far as the employment service is concerned.

The report proceeds—and I would ask the house to pay attention to this sentence:

In consequence, in so far as country work is concerned, the man in the immigration office in Europe has a better chance of getting a job in western Canada than the man in the employment office in Winnipeg.

That is a most serious state of affairs.

We have no mention whatever in the speech from the throne of what seems to be the most important problem before Canada to-day, and that is our relations with our great neighbour the United States of America. In recent years we have had two events at least of vast importance—the world war, which has reconstructed what we used to know as "modern Europe," and released forces the effect of which cannot as yet be determined, and secondly, the rise of what might be termed the American United States Empire. Throughout a little more than a century the United States was united and consolidated and extended, and then during the past forty years it has become a great modern empire, changing the centre of gravity of the entire political world. Glance at some of the steps of this development.

Cuba, to all intents and purposes a protectorate. The Philippine Islands, under American tutelage, a strategic base for operations in Asia; China, the open door policy affording opportunity for economic penetration. The gulf of Mexico and the Caribbean sea, almost an inland sea of the United States, over which it exercises economic and political sovereignty. Panama and Central America, virtually under United States sovereignty. And then, through a sort of revised Monroe Doctrine, the United States is claiming hegemony over the western hemisphere with the exception, I may say, of Canada.

But what about Canada? Already the American investments in Canada are $3,313,512,000, or 13 per cent of the estimated natural wealth of this country. If it were proposed that the border line between us and the United States should be moved a few degrees further north there would be a tremendous hubbub in this country, but the same patriots who would raise an army in such a case not only look with equanimity upon the Americanization of this country, but further, they are glad to welcome any amount of this foreign capital for any purpose so long as they secure a certain proportion of the loot.

The United States, I say, is extending long arms to the north, and since the world war it has dictated the financial policy of Europe until, as a recent writer has put it, Germany is in danger of becoming an American colony. We have the Americans to-day sitting in Paris

and dictating European policy. What is to be Canada's attitude to this increasingly powerful neighbour of ours?

First, let me say a word with regard to trade and the tariff, since that is the topic which we hear most frequently discussed when we are discussing our policy with regard to the United States. The indications, as we all know, point to the raising of the American tariff. Should Canada attempt to retaliate? That is a rather important question. I would say personally that it seems to me that Canada has in her hands a better card than that —the St. Lawrence waterway. The relation between this project and the American high protection policy were referred to in rather guarded language in the letter transmitted last year by our minister at Washington to the Secretary of State of the United States. I would think that so long as the Americans are anxious to build the St. Lawrence waterway, there is no particular reason why we should not be in a position to bargain very successfully to prevent the very substantial increase in the American tariff that is now threatened.

But with regard to the economic principle involved let me refer the house to a speech delivered by Sir Herbert Holt at the annual general meeting of the Royal Bank. He was dealing with the United States, but surely the economic principle which he enunciated ought to apply equally to Canada; so when he mentions Canada I have substituted the United States, and vice versa. Sir Herbert Holt's advice as an economist—I use his very words, but, "mutatis mutandis",—is:

> It would seem that those who propose such tariff changes fail to realize that checks upon foreign (e.g. U.S.) prosperity automatically check the volume of goods which can be exported by Canada, and that on the other hand continued improvement in foreign conditions (e.g. U.S.) bring corresponding increases in the volume of goods which we can export. From this viewpoint it might be considered economic statesmanship for Canada to discover means to increase our exports (e.g. to U.S.) rather than to consider measures which will constitute new trade barriers.

That, as I have said, is the principle enunciated by Sir Herbert Holt, but of course he applies it to the United States. By reference to the bank's annual statement it will be seen that I have simply made the necessary changes to make the principle applicable to Canada.

In corroboration of this economic principle, so well stated, let me quote from the tariff manifesto issued in 1926 by a large group of European manufacturers and financiers. Unless I am greatly mistaken there was a reference to this very passage in the speech of Sir Herbert Holt. The manifesto contains the following:

> There can be no recovery in Europe till politicians in all territories, old and new, realize that trade is not war, but a process of exchange, that in time of peace our neighbours are our customers, and that this prosperity is a condition of our own well-being. If we check their dealing, their power to pay their debts diminishes, and their power to purchase our goods is reduced. Restricted imports involve restricted exports, and no nation can afford to lose its export trade.

This is preeminently true of Canada, and I hope we shall not allow ourselves to be stampeded by the threatened upward revision of the United States tariff. You might as well tie a tourniquet around your arm to stop the flow of the arteries and then expect that the veins would not be at all affected.

Now let me speak of another phase of our relationship with the United States—what I might term international neighbourliness. I regret exceedingly that the speech from the throne gives no forecast of any legislation affecting the control of the liquor traffic between this country and the United States. Some of us several years ago supported the report of the special committee on customs and excise, and at that time we took it for granted that the government would loyally carry out the recommendations of that committee. What did that committee recommend? Let me quote section 10 of the report of June 18, 1926:

> The committee further recommends that as soon as possible regulations be made to prohibit clearances being granted to vessels carrying liquor as cargo sailing from a Canadian port to a United States port, such regulations to make an exception in favour of liquor being imported into the United States in accordance with the laws of that country.

The report of the Royal Commission on Customs and Excise followed on October 15, 1927:

> We also express our entire concurrence in the recommendation of the special committee of the House of Commons as contained in paragraph 10 of that committee's report. An effective method of carrying out the intent of the treaty referred to would be to prohibit clearances to vessels or vehicles of all kinds carrying a cargo of liquor to the United States contrary to the laws of that country.

I would suggest, Mr. Speaker, that it is very poor policy indeed to do that which we know is a source of friction between us and the great and friendly country to the south of us.

But, further, our relationships with the United States are complicated by our relationships with Great Britain—another great im-

perial power. The Kellogg pact, which we are to have brought before us according to the speech from the throne, was stated by the Prime Minister to-day to be without American reservations. Well, I think he must admit that if there are no reservations, there is at least a very definite American interpretation. Mr. Kellogg said:

> There is nothing in the American draft of an anti-war treaty which restricts or impairs in any way the right of self-defence. . . . . Every nation is free at all times, and regardless of the treaty provisions, to defend its territory from attack or invasion, and it alone is competent to decide whether circumstances require recourse to war in self-defence.

I may be permitted to give the very pertinent comment of Mr. H. N. Brailsford. He says:

> But what is the use of outlawing war if each nation is left to decide for itself whether circumstances require recourse to war in self-defence? Did any one ever hear of a nation declaring war without insisting that its war was essentially a measure of self-defence?

And then undoubtedly there were British reservations. Sir Austen Chamberlain said:

> There are certain regions of the world the welfare and integrity of which constitute a special and vital interest of our peace and safety. His Majesty's government have been at pains to make it clear in the past that interference with these regions cannot be suffered.

And so on. Mr. Brailsford again comments:

> The extent to which, without the sin of "war" one may trespass on one's neighbour's territory, bombard his towns, slaughter his citizens, blockade his coasts, and coerce his government to do that which it would not spontaneously do is one of the most surprising discoveries of our refined civilization.

Now, Mr. Speaker, I should like to put some questions which I hope the Prime Minister will take an early opportunity of answering:

1. Why has Canada not renewed the Rush-Bagot agreement?—to which the Prime Minister referred in such laudatory terms in his speech at the ninth annual session of the assembly of the league.

2. Why has Canada not intimated to Great Britain that she wishes to sign the optional clause of the Peace treaty? On July 28 last Premier Baldwin in the British house stated that there had been no intimation of this character from Canada. Why not?

3. Why has Canada not adopted the general act for the pacific settlement of international disputes as drawn up by the ninth assembly of the League of Nations?—again an act which the Prime Minister, on the scene at the time, lauded in very high terms.

I would venture to suggest, Mr. Speaker, that before having the Kellogg treaty brought directly before parliament we might very well have it referred to the committee on international relations which was set up several years ago. No question of international relations has ever yet been referred to that committee. Why not now set a precedent, and in that way allow the members of the house to become more fully informed concerning the details of this treaty, so that they may have a more definite voice in determining the foreign policy of Canada.

Now I come to another matter with regard to our relationship with the United States—the Anglo-French naval compromise. The Liberal amendment to the address in reply to the speech from the throne in the British parliament declared that the Franco-British naval compromise endangered the prospects of peace in Europe and of good relations with the United States. I take it that is not a jingo statement. And Mr. Lloyd George said that the Anglo-French pact was a complete reversal of the Locarno attitude. He is reported:

> The treaty of Versailles and the covenant of the League of Nations contained undertakings by which the allies were bound to a general reduction and limitation of armament. Germany alone had fulfilled the undertaking. Where is the spirit of Locarno? Since Locarno the British, French and Italian armaments have increased.

Now I ask, was Canada consulted? You may say that this pact between Great Britain and France was not a treaty. No; but it definitely involved Canada. Was Canada consulted? Surely, if she was not, and if we are to be dragged into European complications through secret treaties, it is time we knew it. And if Canada was consulted I should like to know what advice Canada gave in the matter.

It seems to me that the least this house can expect is to have a very full statement from the Prime Minister at the earliest opportunity, as to what the situation is with regard to Canada and this discredited compromise. If the imperial conference declarations meant anything they surely meant that Canada has a right to express herself with regard to the foreign policy of the British Empire.

Had I time I should like to read a very interesting article on this point from Interdependence, the publication issued monthly by the League of Nations Society of Canada, in its November issue, in which this question is discussed in detail. Now it does strike me that the apparent policy of the Prime Minister and his government—Do nothing and sit tight—worked well in the Turco-Grecian affair. I had every sympathy with and com-

mendation for the position of the government at that time. That affair did not immediately affect Canada and therefore there was no difficulty. But this same policy might easily have meant disaster in this more recent case, when American interests and hence ultimately Canadian interests were so vitally affected. Indeed, it seems to me that the Canadian government's policy at this time played directly into the hands of the big navy crowd in the United States. Again I ask, was Canada consulted? And, if so, what advice did Canada give, and why did Canada not rise to the occasion and prevent the fiasco which occurred and which had to be condemned by the Liberal party in the present session of the British parliament?

I wish to speak for a moment of the menace of Anglo-American naval rivalry. I will not quote here what possibly might quite rightly be termed the jingo speeches of Coolidge, or Birkenhead, or the Dean of St. Paul's. I will quote, however, a statement by Norman Angell, who says:

> We get, therefore, immediately following the solemn outlawry of war, a nearer approach to the old alliance and balance of power situation than Europe has known since the armistice; a worsening of Anglo-American relations and what would seem to be the beginning of an Anglo-American naval rivalry to follow the Anglo-German of a quarter of a century ago; a worsening of Anglo-German relations; an all but complete breakdown of the effort to secure even a conference about disarmament.

Or let us take the Manchester Guardian, which is not a jingo paper. That organ speaks of:

> —ill feeling, suspicion, misunderstanding and estrangement between the two nations—

and affirms that:

> —not for many years have the Americans and the British been on terms as bad as they are now.

Mr. Fred A Britten of Illinois, chairman of the house committee on naval affairs, who made a well-intentioned if perhaps rather improper move a little while ago in his effort to secure better relations, recently said:

> America's desire for the free use of the seas cannot be assured by paper agreements alone. Steel ships with big guns accompanied by airplanes speak with much greater force than time-worn words of friendly treaties.

I submit that the hush policy is no good. I think Ramsay MacDonald gave a lead in courageously facing the actual facts in the world situation to-day. What is the real difficulty? Personally, I would say I am one of those who believe that fundamentally the trouble is that there are conflicting economic interests between these two great imperial powers. That I will not now discuss. But so far as the political and diplomatic side is concerned, the trouble seems to be due to differing conceptions of the freedom of the seas. I would call attention to the very carefully stated position of the New York World:

> Beneath all the wild talk on both sides of the Atlantic there is this cardinal fact, which is the root of the whole controversy. The British Admiralty, and that part of the British nation which shares its views, holds fast to the claim that Great Britain shall have the power to say who shall and who shall not sail the sea in ships. It is a claim which would put the interest of all other powers in jeopardy whenever Great Britain is at war. It is an impossible claim, looked at from any non-British point of view, for it amounts to saying that the interest of mankind upon the seas shall in law and in fact be subject to the will of the British Admiralty. It is resistance to this claim which explains the whole controversy.

And from the British side, in his recent work, "Freedom of the Seas", Commander Kenworthy says:

> The British will have to envisage now the eventual renunciation of the right of independent blockade instead of, as now, tacitly recognizing that in future it will be impossible to enforce it without American approval; while the Americans will have to envisage now, eventually recognizing, that freedom of the seas and sea law cannot be guaranteed without an Anglo-American convention which will have to be brought into relation with the covenant of the league.

I ask again, what is Canada's position with regard to this very important question, the freedom of the seas? We ought to have some definite policy in the matter. In case of war between Great Britain and the United States what would happen? We hate to contemplate such a contingency. We say the thing is impossible; and yet men, both in the United States and in Great Britain, are speculating with reference to this and in both countries the building of huge navies is inexplicable unless, in the background of the minds of some at least, there is an idea that conflict is possible.

And what about Canada in the event of such a war? I should like to quote an editorial which recently appeared in the Western Producer, a paper which has a wide influence in the west and whose editor cannot be called either unpatriotic or pusillanimous. He discusses this matter at some length —I am afraid I have not time to read the whole editorial—observing in conclusion:

> There is only one way for Canada to retain her independence and her self-respect and that is by being decent and unprovoking. Canada

cannot possibly engage in hostilities with the United States, on her own account, or in alliance with any possible combination, British or otherwise, without encountering complete disaster. It might be just as well to realize this and admit it, and to shape our national course so that it cannot happen.

As M. Briand said, peace is proclaimed; it remains necessary to organize it. Instead of spending so much of the time of this house in quarrelling about local matters of comparative unimportance, we should spend more time in discussing some of these larger world problems for the solution of which Canada cannot escape responsibility.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, after the eloquent address of the last speaker it would ill become me to keep the house more than a few moments. I wish to speak upon two topics, the first the question of the abundant harvest and the prosperity which has been brought to Canada. It is quite true, as Sir Charles Gordon has said, that this year has been perhaps one of the most prosperous, financially, that Canada has ever known, and also that this has been due to the abundant harvest and the work and enterprise of the primary producers. The hon. member for Acadia (Mr. Gardiner) put the question the other way, when he said the farmers themselves were not prosperous and that evidently they have not shared in their proper proportion in the prosperity which is said to be abundant in Canada. This evil should be traced to its cause. Those engaged in agricultural production know very well that when they have finished their work and harvested their crops, every individual and every corporation which handles their products does so on a cost plus basis. The elevator company charges so much, with their profit added; whether the grain is number 1, number 2 or number 6, the railway companies charge exactly the same rate, which is figured on a cost plus basis. So when all the charges are paid the primary producer gets what is left, whether or not that is an amount which will cover the cost of production.

I do not think I ever encountered a more pathetic sight in this connection than when I visited British Columbia this year. I went to that province for the express purpose of finding out the conditions in the Vernon and Okanagan districts, and I am sorry the hon. member for Yale (Mr. Stirling) is not in his place. There I found no abundant prosperity; some of the primary producers of fruit were in a state of almost abject poverty, and when I discussed the matter with the British Columbia Fruit Growers' Association, the packers and others interested, the reasons were very apparent. Every one intimated to me that he did his business on a cost plus basis; the packers followed that rule, the railway companies had their rate of 37½ cents per box, and when the total cost was figured the primary producer received just what was left. Out of the proceeds of a box of apples for which I paid $1.50, the primary producer received only 40 cents, and in some cases he grew the apples, brought them to the packer, and when the returns came back found that he had to pay something for the privilege; in other words he received a red ink invoice showing that he owed someone money for the privilege of growing these apples. So we find that the country is prosperous in a general way but that the primary producers are not sharing fully in that prosperity, and that condition of affairs must be taken care of either by co-operation on the part of the primary producers, which the United Farmers of Alberta are trying to do in their wheat pool, or by government assistance which will relieve the primary producer of some of the burdens he now carries.

The next question I wish to take up has to do with the Postmaster General (Mr. Veniot), whom I wish to compliment upon the institution of an air mail service in western Canada. I hope this will culminate in a permanent service between Winnipeg and Calgary. On behalf of the letter carriers, whom I promised that I would mention this matter, I thank the Postmaster General because, in opposition to the postmaster of the city of Calgary, he insisted that those men who were burdened almost like mules should have a truck to carry their heavy parcels. For this they are grateful.

Now I come to the question of immigration, on which I wish to say a few words which may not be altogether complimentary to my friend the Minister of Immigration (Mr. Forke). While I respect him very much I respect Canada rather more than the Conservative party, the Liberal party or the minister himself. I am glad to see that the agreement with the railway companies is to be cancelled on May 31, according to the newspapers. I am not sure of the accuracy of that statement; if I am wrong my hon. friend will correct me, but that agreement should be terminated immediately. In my opinion and judging from my connection with them for the last few months, the railway companies seem to run the immigration department; they seem to dictate who shall come into and who shall go out of the country. Under my hand I have telegrams from the railway companies and from the department

in which the railway companies actually defy this government and refuse to obey an order of the Department of Immigration. On October 2 last we had a number of harvesters in Calgary and we had to keep them; the government disclaimed all responsibility. We had to take up subscriptions and hold little concerts in an endeavour to do our best for these men. I presented their case to the Department of Immigration who wired me as follows:

Replying yours date have harvesters apply to local agent of company bringing them out. This will adjust matters.

In other words, those harvesters who came by Canadian National Railways should apply to the Canadian National Railways to take them back, and those who came by Canadian Pacific Railway were to apply to that company, the government having made arrangements for their return. Two days later I discussed the matter with Mr. Carnill, superintendent of the Calgary Labour Bureau, who wired Mr. McGuire, of the Canadian National at Edmonton, who said he would have to wait for word from Winnipg. Then he wired as follows:

Winnipeg advised unable authorize free transportation or subsistence for men you phoned me about.

And I received by telephone the same message from Mr. Colley, of the Canadian Pacific. In other words the railways said they would neither keep these men nor take them back to where they came from. Fortunately I did not stop there. It seemed to me that the whole situation had changed; it was not now a question as to whether the harvesters should be returned, but the question was whether or not these railway companies were to govern Canada. I simply wired the Department of Immigration as follows:

C.N.R. wire me they will not grant free transportation and subsistence to 15 harvesters you wire me about. What now?

I am glad to say that on receipt of this wire the department took heart and showed a little more backbone; they got in touch with the officials of the railways and told them they had to take back these immigrants.

Mr. FORKE: I do not think the hon. member is making a very fair statement of the case. Does he think the Immigration department could wire to Calgary and have these men taken care of immediately? They had to take some steps to get the railway companies to act, and they did so. Nowhere in Canada were harvesters left stranded. They were sent back to England just as soon as the Immigration department knew they were stranded. The hon. member shows only a few days' delay.

Mr. ADSHEAD: I wired the Immigration department and received a reply by wire that matters had been arranged and that these companies were to take these people back.

Mr. FORKE: Yes, that is so.

Mr. ADSHEAD: They wired the companies to take them back, but the companies themselves wired me that they would not take them back, neither would they provide sustenance.

Mr. FORKE: They did it, though.

Mr. ADSHEAD: But not until the second telegram; not until they were told that they were not going to govern Canada.

Mr. FORKE: If the hon. member thinks he was the man who did it, I do not begrudge him that idea.

Mr. ADSHEAD: If the railway companies had it their way they would have defied the government more than they did, but I am glad to give the hon. gentleman's department credit for the action they took when they found the railway companies were defying the department.

Mr. BROWN: That is a pretty good tribute to the government.

Mr. ADSHEAD: If we allowed them to do so, the railway companies would govern the Immigration department. I have a letter from my friend the mayor of Calgary, who is a very good Liberal, if that counts for anything.

An hon. MEMBER: Not a thing.

Mr. ADSHEAD: He said that these men had come into Calgary, that a number of them had had to be sent to the hospital for treatment, and that he wanted to know who would pay the bill. The only answer we could get from the Immigration department was, "Our ledger has no column for that item, and we are not responsible." We, being human could not see the men lie down and starve in the streets, so we had to put our hands in our pockets and help to keep these men for whom we had no responsibility and who had not come into the city by our asking. The mayor asked me to endeavour to have some provision made for repayment to the city of the expense incurred through these men having to be placed in the hospital.

I now come to the question of immigration itself. My friend the leader of the opposition

said that Canada's pressing need is immigration. I entirely differ from him in that view. I am glad to see that the United Farmers of Alberta and the labour people also differ with that proposition.

Miss MACPHAIL: That makes another one.

Mr. ADSHEAD: Canada herself should decide who shall and who shall not come within her borders. It has been mooted that we hold this land in trust, that we have a certain responsibility to those people whose borders are crowded, and that if we do not open the doors some means will be found to force them. As a man whose adopted country is Canada, and as a man who has Canadian boys, I want to say that Canada is going to decide who shall and who shall not come within her borders.

Miss MACPHAIL: It is time she did.

Mr. ADSHEAD: Mr. Baldwin told Canada to go slowly, for there was plenty of time for immigration into this country of the proper sort. I am opposed to the spending of over two millions of dollars, as we did last year—

Miss MACPHAIL: Three millions.

Mr. ADSHEAD: —the spending of this amount to coax immigrants into Canada. The Leeds Mercury of England has the following to say on this subject:

> But "spoon-fed" emigration by costly schemes on the grand scale is not the most likely to succeed. Assisted and stimulated emigration may be a good thing, but the best emigrant is the man who is convinced that he will have a better chance in another country and is willing to make an effort to get there.

Spending a couple of millions of dollars to induce people to come to Canada is not the way Canada will settle the distant parts of her territory. It is not the way the east was settled, neither is it the way the west was settled or should be settled. If we have immigrants coming to Canada they should come voluntarily, and they should be possessed of the proper information. The Department of Immigration has recently issued an atlas, which shows the settler under the most laudable, praiseworthy conditions. First, he has a little shack; by and by he has grown a little crop, then he has a larger crop, and finally there is a beautiful mansion.

Miss MACPHAIL: He never has the frost, by any chance?

Mr. ADSHEAD: But it omits to say that his crop may be destroyed by frost, or any of those things which go to make agriculture undesirable. It is not a fair presentation of the case, and these immigrants coming to Canada should be given the other side of the picture. They should have the truth, the whole truth and nothing but the truth.

There is another side of the question I would like to mention, and that is the character of the men that come into Canada. If a man is physically fit and has a considerable amount of muscle, and perhaps the amount of money required, we will allow him in. We had criminals in the city of Calgary this year who, when their history was traced, had committed the same crimes in the countries they had left to come to Canada. Then there was the case of the magistrate in the old country who told a criminal brought before him that if he would go to Canada he would not have to go to gaol. That is a deplorable state of affairs. Canada is not going to be made into another Botany Bay where criminals from England or elsewhere may be shipped in order to be rid of them.

I am opposed to the spending of so much money to coax people to come to Canada. The provinces should be consulted in these matters, but they seem to have no responsibility at all. The immigrants are left to shift for themselves, and they should be told of the hardships and difficulties as well as the pleasures. We want the class of men who will come on their own initiative and be willing to face the difficulties as well as to enjoy the successes.

Motion (Mr. Cayley) agreed to.

On motion of Mr. Mackenzie King, seconded by Mr. Robb, it was ordered that the address be engrossed and transmitted to His Excellency the Governor General by such members of the house as are of the honourable the Privy Council.

SUPPLY

Hon. J. A. ROBB (Minister of Finance) moved:

> That this house will to-morrow resolve itself into a committee to consider of a supply to be granted to His Majesty.

Motion agreed to.

WAYS AND MEANS

Hon. J. A. ROBB (Minister of Finance) moved:

> That this house will to-morrow resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty.

Motion agreed to.

On motion of Mr. Mackenzie King the house adjourned at 9.45 p.m.

Tuesday, February 12, 1929

The house met at three o'clock.

AUDITOR GENERAL'S REPORT

Hon. J. A. ROBB (Minister of Finance) moved:

That the Auditor General's report for the year ended March 31, 1928, and the public accounts for the year ended March 31, 1928, be referred to the select standing committee on public accounts.

Motion agreed to.

CIVIL SERVICE ACT AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 7, to amend the Civil Service Act (private secretaries).

Mr. GUTHRIE: Explain.

Mr. RINFRET: The object of the bill is to amend the Civil Service Act in one particular, with relation to the private secretaries of ministers and of the leader of the opposition. The amendment provides that when ministers or the leader of the opposition cease to act as such, such private secretaries may enter the civil service under certain conditions.

Motion agreed to and bill read the first time.

PENITENTIARY ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 8, to amend the Penitentiary Act (view by grand jury).

Mr. MACKENZIE KING: Explain.

Mr. CHURCH: This bill will allow grand juries to visit and inspect these institutions twice a year.

Motion agreed to and bill read the first time.

POST OFFICE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 9, to amend the Post Office Act (newspaper ownership).

Mr. MACKENZIE KING: Explain.

Mr. CHURCH: This bill was introduced last session and passed the house, but objection was taken to it in the senate. The object aimed at is the disclosure of newspaper ownership, and it calls for a statement giving the names and addresses of editors, owners, stockholders and others enumerated. The details are set out in the bill. Such statements are to be made in duplicate and forwarded to the Postmaster General, and there is a penalty for failure to comply with the regulation. Newspapers that do not observe the regulation are to be denied the use of the mails.

Motion agreed to and bill read the first time.

INSURANCE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 10, to amend the Insurance Act (lapsed policies).

Mr. MACKENZIE KING: Explain.

Mr. CHURCH: The object of this bill is to give some protection to policy holders. At present, if premiums are not paid for three years the policy lapses, and the money in certain circumstances is confiscated. The bill is to meet this situation.

Motion agreed to and bill read the first time.

BANK ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 11, to amend the Bank Act (mergers).

Hon. J. A. ROBB (Minister of Finance): Explain.

Mr. CHURCH: By this amendment no agreement for a bank merger shall become operative until it has passed parliament. This substitutes the parliament of Canada for the Governor General in Council as represented by the Minister of Finance, and puts the law back where it was thirty years ago.

Motion agreed to and bill read the first time.

WAR REPARATIONS

PAYMENT OF $2,500,000 TO CUSTODIAN

Hon. FERNAND RINFRET (Secretary of State) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That the Minister of Finance be authorized to place to the credit of the custodian, out of the reparation money paid into the treasury for losses sustained during the late war, a sum not exceeding $2,500,000 and that provision be made as to the method and scale of payments.

He said: His Excellency the Governor General, having been made acquainted with

the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

MILITIA PENSION ACT AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Militia Pension Act in respect to the computation of the amount of pension payable to officers retired compulsorily or seconded, to be based upon the average annual amount of pay and allowances during the three years immediately proceeding retirement, and to amend the procedure for computing the pension for an officer who has served as a member or associate member of the defence council for a period of not less than three continuous years.

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

Motion agreed to.

TECHNICAL EDUCATION ACT

Hon. PETER HEENAN (Minister of Labour) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That the Technical Education Act be amended to provide that any balance of the ten million dollars appropriated under this act unexpended on the 31st March, 1929, shall remain available during any one or more of the five succeeding fiscal years, but no portion thereof shall be paid to any province after the 31st March, 1934.

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

Motion agreed to.

MONTREAL HARBOUR COMMISSION

LOAN OF $10,000,000

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Montreal in an amount not exceeding $10,000,000 to carry on the construction of terminal facilities, upon approval by the Governor in Council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

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

Motion agreed to.

VANCOUVER HARBOUR COMMISSION

LOAN OF $10,000,000

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee at the next sittting to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Vancouver in an amount not exceeding $10,000,000 to carry on the construction of terminal facilities, upon approval by the Governor in Council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

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

Motion agreed to.

THREE RIVERS HARBOUR COMMISSION

LOAN OF $2,000,000

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Three Rivers, in an amount not exceeding $2,000,000 to carry on the construction of terminal facilities, upon approval by the Governor in Council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

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

Motion agreed to.

CHICOUTIMI HARBOUR COMMISSION

LOAN OF $2,000,000

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Chicoutimi in an amount not exceeding $2,000,000 to carry on the construction of terminal facilities, upon ap-

proval by the Governor in Council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

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

Motion agreed to.

HALIFAX HARBOUR COMMISSION

LOAN OF $5,000,000

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Halifax in an amount not exceeding $5,000,000 to carry on the construction of terminal facilities, upon approval by the Governor in Council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

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

Motion agreed to.

IMMIGRANTS AT TORONTO

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Minister of Labour (Mr. Heenan) whether he has any further information to give the house in connection with the matter I brought up the other day, with reference to German immigrants brought into this country to displace Canadian workmen in Toronto?

Mr. HEENAN: The last time the hon. gentleman asked that question I suggested that in view of the fact that negotiations are now going on between the two parties to the dispute, we might refrain from discussing the question at the present time. The basis of the settlement is that the Canadian workmen are to be reinstated under the conditions and wages pertaining at the time they were dismissed.

CANADIAN NATIONAL RAILWAYS

GRAND TRUNK ACT, 1906-7 AMENDMENT—PENSION FUND

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 2, to amend the Grand Trunk Act, 1906-7.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Company defined.

Mr. SPENCER: As this is the first time we have had this bill before us, I think it only fair that it should be read.

(The sections of the bill having been read by the chairman)

Section agreed to.

On section 2—Short title.

Mr. BENNETT: I would think that the drafting of that section is erroneous; provisions cannot be cited as an act.

Mr. DUNNING: I would not attempt to enter into a discussion between the gentlemen of the legal profession who drafted this bill and my hon. friend. I only desire to be sure that the change which is proposed in the wording will have no effect upon the intention of the bill. I have a layman's understanding of the intention of the bill, but as to the legal language necessary to make that intention effective, I am rather in the hands of my legal friends.

Mr. GUTHRIE: Let it stand; it is wrong now.

Mr. DUNNING: I am quite willing to let that section stand in order that inquiry may be made.

Section stands.

On section 3—Pension fund.

Mr. HEAPS: Would the minister give us an explanation of this section?

Mr. DUNNING: I did not give an explanation of this bill because I thought hon. members would make inquiries if they were not familiar with the situation which this bill, and the one which follows it, are designed to correct. At the present time there are two pension arrangements in connection with the Canadian National railway system; one with respect to the former government railways, known as the Intercolonial provident fund, and the other with respect to the former Grand Trunk railway system. There is no legislative authority for any pension system which would be applicable to the other employees of the Canadian National Railways, such as the employees of the former Canadian Northern and the Grank Trunk Pacific and all the other lines now comprising the Cana-

dian National railway system. The intention of this bill, and the one which will follow immediately, is to make it possible to extend to all employees of the Canadian National system the provisions of the present Grand Trunk pension plan.

I may as well make an explanation which will have a bearing upon the next bill, because the two dovetail. It is not proposed to abolish the Intercolonial provident fund, but only to stop entry into it. All rights will be preserved to those who are at present members of and contributors to the Intercolonial provident fund. Means will be provided whereby those who are now members of that fund may transfer to the general pension scheme now being inaugurated, should they so desire. In the course of a few years the logical result will be one pension system for all the employees of the Canadian National system, and for the employees of the hotels, express company, telegraph company, and steamship company. About 109,000 employees will be affected. There are 11,165 members in the provident fund of the Intercolonial, so 98,258 employees would be affected by the provisions of the scheme now being inaugurated. Of this 98,000 approximately 15,000 are of a non-permanent character, and therefore not pensionable. Deducting this figure from the former would leave in the neighbourhood of 83,000 men and women who would be affected by this scheme. The return to the employee under this scheme will be substantially identical with that now being paid by the Canadian Pacific Railway Company and other great railway corporations on this continent. This is calculated upon the basis of one per cent of the average pay of the employee for the ten-year period previous to his retirement, multiplied by the number of years of service.

Mr. IRVINE: What class of employees would the minister consider as not being permanent? You do not mean the section men do you?

Mr. DUNNING: Seasonal labour of all kind.

Mr. IRVINE: That would not include the section man?

Mr. DUNNING: All permanent employees.

Mr. STEWART (Leeds): Have the brotherhoods approved of the principles of this bill?

Mr. DUNNING: I am glad my hon. friend calls my attention to that. It is now some two years, I think, since I authorized, on behalf of the government, the commencement of the working out of the plan now being presented. During that time the work has been carried on by the management of the system in cooperation with a committee of employees affected, and the bill which I now bring before the house is the result of an absolute agreement with regard to the provisions.

Mr. HEAPS: Will the minister inform the committee what qualifications an employee of the company must have before he is entitled to a pension? How many years of service must he have? How old must he be?

Mr. DUNNING: I have not before me the regulations containing all those details, but I will secure them in a few moments.

Mr. ARTHURS: Will this act make any difference to the employees of the old Grand Trunk?

Mr. DUNNING: None whatever. It will merely give the others the advantages which these now enjoy.

Mr. ARTHURS: I understand the minister to say that the employees of the Intercolonial may or may not take advantage of this scheme?

Mr. DUNNING: Yes.

Mr. ARTHURS: Will that be true with regard to employees of the Grand Trunk also?

Mr. DUNNING: This scheme applies to the Grand Trunk employees at present and will continue so to do.

Mr. ARTHURS: No change?

Mr. DUNNING: No change whatever in that regard.

Mr. PRICE: Do I understand the minister to say that in future new employees entering the service in the Atlantic region, which has been governed in the past by the Intercolonial and Prince Edward Island railway employees' provident fund, will come under the Canadian National Railways pensions scheme and not under the old act?

Mr. DUNNING: Yes.

Mr. PRICE: That is also approved by the representatives of the railway employees for all classes of labour?

Mr. DUNNING: Yes.

Mr. PRICE: How will the amount of pension which will be allowed under the Canadian National Railways pension scheme compare as regards allowances, percentages, rules

and regulations regarding years of service with that of the Intercolonial and Prince Edward Island railway employees' provident fund? Is it as favourable to the employees? Do they get as much under the new act as before? Are the terms as agreeable to them and will they benefit to as great an extent from the new act which is being put into force as they have under the old act?

Mr. DUNNING: It is very difficult to make comparisons to enable one to answer categorically my hon. friend's question, because the difference is between a contributory scheme and a non-contributory scheme. Under the provident fund arrangement for the former government railway employees the employee contributed one and one-half per cent of his salary. Hence manifestly his payment out of the fund reflected that contribution. Under the Grand Trunk scheme which it is intended now to apply to all employees, there is no contribution from the employees. Hence it is practically impossible to make intelligent comparisons between the returns. The provident fund should really be discussed under the bill following this, but in order to give my hon. friend the information he desires I may say that it was necessary in order to meet the demands upon the fund, for the railway last year to contribute $379,000 more than the amount which under the arrangement it was supposed to contribute. That is to say, the Intercolonial provident fund has not worked out actuarially upon the basis which was designed for it, and is in fact, from year to year insolvent and dependent upon a far greater contribution from the railway than was contemplated or provided for in the scheme itself in order to enable it to pay the amounts due to pensioners from time to time.

In answer to the hon. member for North Winnipeg (Mr. Heaps) I may say the regulations at present provide for fifteen years of service as being a necessary qualification for pension.

Mr. HEAPS: Is there any age limit?

Mr. DUNNING: Age sixty. The regulations of course are in great detail and my hon. friend will not expect me to carry them all in my head. I find now, on having the regulations regarding the provident fund in my hand, I did not give a strictly correct reply to his last question. At age sixty, a man may retire at his own request provided that he has fifteen years' service. He may retire at any age after fifteen years' service on account of mental or physical incapacity to follow his usual occupation in the service, with medical approval. He may retire at any age or period of service on account of permanent disability to follow his usual occupation in the service as a result of injuries received while on duty and actually at work in the service. With respect to the compulsory age limit, the compulsory retirement age is seventy years.

Mr. BENNETT: Is that not sixty-five in some of them?

Mr. DUNNING: Voluntary at sixty, compulsory at seventy.

Section agreed to.

Section 4 agreed to.

Mr. DUNNING: There is one section standing and I would like to leave the bill in committee for the consideration of the legal officers.

Progress reported.

CANADIAN NATIONAL RAILWAYS

INTERCOLONIAL AND P.E.I. RAILWAYS—EMPLOYEES' PROVIDENT FUND ACT AMENDMENT

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 3 further to amend the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Board constituted.

Mr. BENNETT: The minister might explain the whole matter.

Mr. DUNNING: Section one gives me an opportunity to state that the qualifications read by me a few moments ago in an attempt to reply to two questions from different quarters opposite, one relating to the Intercolonial provident fund and the other to the present Grand Trunk fund, involved me in transposing the answers to the questions. I replied to my hon. friend from Winnipeg in the terms which I should have used in replying to the hon. member for Westmorland (Mr. Price). The answer I gave as to the retirement age referred to the retirement age and conditions under the Intercolonial provident fund.

Mr. HEAPS: I thought you were a little generous before.

Mr. DUNNING: I want to straighten myself out with my hon. friend from North Winnipeg, by giving him that information with respect to the Grand Trunk scheme, which will be the one most generally applicable. The retirement age is 65, but the

employee may be retained after that age if the committee approve such retention as being in the interest of the company. An employee becomes eligible for pension at the age of 65, after 15 years' service, or at the age of 60 if unfit, according to medical report, and with twenty years service, at the discretion of the committee. There are a number of other provisions, very lengthy, but my hon. friend can readily secure a copy of the regulations and study them in detail.

Section agreed to.

On section 2—Closing fund.

Mr. BENNETT: Has this been accepted by the employees?

Mr. DUNNING: Yes.

Section agreed to.

Bill reported.

OPIUM AND NARCOTIC DRUG ACT

Hon. J. H. KING (Minister of Pensions and National Health) moved the second reading of Bill No. 4, to amend and consolidate the Opium and Narcotic Drug Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Definitions.

Mr. SPENCER: Would the minister kindly give the house an explanation in regard to this bill?

Mr. KING (Kootenay): During the last session of parliament Canada ratified the International Opium Convention, and a sufficiently large number of other nations having also ratified, the convention came into effect in September last. Under article 2 of that convention, Canada undertakes to review periodically, and to strengthen, as required, the laws relating to the control of narcotics. Consequently the present would appear to be an appropriate time to bring the Canadian act up to date. A great many copies of the act are required for distribution to physicians, druggists and others in the ordinary course of administration, and it is felt that as the amendments proposed are somewhat numerous, it would be preferable to re-enact the act as a whole, so that there can be no confusion in the minds of the public as to what the law on the subject really is. The more important amendments I might briefly summarize.

By section 4 we are providing that it shall be a criminal offence to sell or distribute not only a narcotic drug but any substance represented or held to be a narcotic drug. Section 4 is also being amended to provide that, at the discretion of the judge, whipping, in addition to imprisonment not exceeding seven years, may be imposed upon drug traffickers.

A new section is proposed, to make it an offence for an addict to obtain narcotics from more than one physician.

It is also proposed to increase the minimum fine for opium smoking from $10 to $50.

A new section provides that it shall be an offence to send narcotic drugs through the mails.

Section 14 of the present act outlines conditions under which a physician may prescribe narcotics to an addict for self-administration. This section has been redrafted to make it clearer.

The section providing for the production in court of the certificate of a Dominion or provincial analyst has been redrafted.

The section with regard to the forfeiture of drugs found or seized has been redrafted, in order to conform with conditions as they are now found to exist.

The section providing for forfeiture of vehicles used in connection with the drug traffic is being amended to include moneys used for the purchase of drugs, as frequently large sums of money have been expended by the department in this connection, and at the present time no legal authority exists for their being returned to the crown.

Provision is being made for the issuing of writs of assistance to certain officers engaged in narcotic drug work, as is done under the customs act.

The schedule of the act containing the names of narcotics is being redrawn to conform with the opium convention. Those are the principal amendments.

Section agreed to.

Section 3 agreed to.

On section 4—Importing or exporting drug without license.

Mr. CAHAN: I should like to call attention to the propriety of whipping in the discretion of the judge as a penalty under section 4. There are some crimes for which I approve of whipping as a punishment, but I have some hesitation in approving whipping as a penalty for all the offences included in the general scope of section 4.

Mr. EDWARDS (Frontenac): If I have any adverse criticism to make of this section, it would be along the line that the minimum penalties proposed are too light. I have enough opportunities already for the exercise of my sympathies without wasting any sympathy on a man convicted under this act, and who, in addition to fine and imprisonment is to be subjected, at the discretion of the judge, to whipping, I have no tears to shed for that man, if we may call him such, having the lash placed upon his back by order of the judge; in fact, I would go so far as not to leave it in the discretion of the judge as to whether this beast in human form should be whipped. I would make whipping compulsory, and see that it was laid on good and heavy. In a fit of passion a man may commit murder; under the law he must pay the penalty for his crime. In my judgment such a man is white as the driven snow in comparison with the low, degraded human beast who for a few dollars' profit will gradually murder his fellow-man by selling to him habit-forming drugs. I can conceive of no one deserving of more severe punishment than the person who, too lazy to work and earn an honest living, does not hesitate to dispose of these drugs to young boys and girls on the street, well knowing that they will become addicts and therefore regular customers. I have no sympathy for such a scoundrel. Do not withhold the lash from him. Put it on, and put it on heavy, and not once but several times during his term of imprisonment.

The only criticism I have to offer in regard to this section:

> Upon indictment—if found guilty—he shall be liable to imprisonment for any term not exceeding seven years and not less than six months, and to a fine not exceeding one thousand dollars and not less than two hundred dollars and, in addition, at the discretion of the judge, to be whipped;

is that the minimum penalty of six months is too light. If found guilty of the offence, then six months is too short a term of imprisonment as a minimum. I feel very strongly in this matter, and I repeat that in my judgment the worst crime that it is possible for a person to commit is the crime committed by these traffickers in drugs who insinuate themselves into the confidence of young boys and girls until eventually they become addicts and will crawl on their hands and knees to these traffickers and in their agony demand these drugs at any price. Do not let us waste any sympathy on those criminals. If I had my way I would cut out the words "at the discretion of the judge."

[Mr. Cahan.]

Mr. GUTHRIE: Mr. Chairman, there is an offence stated here which is in the nature of fraud. The section reads as follows:

> Every person who

Then go down to subsection (f):

> manufactures, sells, gives away or distributes any drug, or any substance represented or held out by such person to be a drug, to any person without first obtaining a license from the minister shall be guilty of an offence.

The drugs are those enumerated in the schedule to the act. Now, in the case of a druggist who deliberately defrauds his customer by selling him some harmless substance representing it to be one of the drugs specified in this act, is it the minister's idea that that druggist should be subject to seven years' imprisonment and to be whipped?

Mr. KING (Kootenay): Six months or seven years.

Mr. GUTHRIE: And to be whipped?

Mr. KING (Kootenay): At the discretion of the judge.

Mr. GUTHRIE: So far as I am aware all cases of fraud under our criminal law are dealt with much more leniently. I never heard of the penalty of whipping nor a long term of imprisonment being imposed in case of fraud. Suppose a druggist, instead of chloral, sells some simple preparation, brown sugar, flour or water, he is guilty of fraud.

Mr. KING (Kootenay): He would not come under this act. Chloral is not one of the drugs mentioned.

Mr. GUTHRIE: Cocaine.

Mr. KING (Kootenay): That is one of the drugs mentioned.

Mr. GUTHRIE: For any drug mentioned in the schedule a dishonest druggist may substitute some innocent mixture, and by so doing he commits fraud, whereupon he would become liable to the penalty here prescribed. The act was not so before. Is there any reason for the addition of this special clause?

Mr. KING (Kootenay): Yes. We find men of the low type mentioned by my hon. friend trafficking in these drugs and selling substitutes. They are the persons to be dealt with.

Mr. BENNETT: They are really benefiting their customers.

Mr. KING (Kootenay): It is a fraud under this act. This is a little different from other acts.

Mr. CAHAN: A man goes into a drug store half insane, and the druggist out of his good

nature gives him some very simple remedy to get clear of him. At once he is subject to whipping under this act. I say that is a brutal enactment that this legislature should not pass.

Mr. KING (Kootenay): Of course, the druggist that my friend refers to would be fined under section five. This section four relates to the drug trafficker,—the man who makes a business of selling opiates to people.

Mr. CAHAN: Confine it to that class.

Mr. KING (Kootenay): We do.

Mr. CAHAN: You have not done so.

Mr. KING (Kootenay): I think so. The druggist would be dealt with under section five, and be subject to a fine.

Mr. STEWART (Leeds): Mr. Chairman, as I understand this bill, those charged with the enforcement of it may prosecute on indictment or may proceed on summary conviction, and I understand that in the more moderate cases they select summary conviction; only in the aggravated cases do they pursue the remedy by indictment. That has been my experience in some prosecutions. It is only for an indictable offence that this more severe penalty is imposed. So the ordinary case of a druggist selling a harmless remedy to an addict would be a proper one for summary conviction, and not for proceeding by way of indictment.

Mr. KING (Kootenay): That is correct.

Mr. MANION: Suppose that a cocaine addict comes into a doctor's office—as I have known to happen many times—the doctor in order to get rid of him gives him some boracic acid, which looks like cocaine, and charges him nothing.

Mr. KING (Kootenay): There would be no offence.

Mr. MANION: It does not appear clear from a reading of the bill; but the minister states that that doctor would not become liable to these severe penalties.

Mr. KING (Kootenay): Section four is to take care of the professional trafficker.

Mr. ADSHEAD: Who are the other lawful authorities besides medical men referred to in section (d)?

Mr. KING (Kootenay): Section five provides that information: a bona fide wholesale druggist, or a druggist carrying on business in a bona fide drug store, or veterinary surgeon, dentist or druggist, and so on.

Mr. ADSHEAD: Are medical men referred to there?

Mr. KING (Kootenay): Yes.

Mr. CAHAN: I suggest that as the Minister of Justice is not in his seat, as the Solicitor General is not in his seat, and as there seems to be no member of the government to give a legal interpretation of it, the clause be held over. I am not prepared to accept the opinion of the Minister of Pensions and National Health on a strictly legal question, because I think he is entirely wrong in the interpretation he gives.

Mr. STEVENS: Ask the Minister of Agriculture.

Mr. CAHAN: I would rather take the opinion of the Minister of Agriculture, because he is accustomed to the administration of a series of acts which impose varied penalties.

Mr. KING (Kootenay): I can assure my hon. friend that the minister has had the opinion of the Justice department. This bill was drawn in conference with that department.

Mr. CAHAN: Has the minister the opinion of the Department of Justice that an honest druggist or a doctor practising his profession in a country town who gives away some simple substance to an addict, the addict being under the impression that it is a drug within the meaning of the act, is not liable under this section? Of course he is liable. It is simply incomprehensible that the Minister of Justice, having his attention directed to the point, should have given the opinion which the Minister of National Health now reports.

Mr. EDWARDS (Frontenac): There would not be much difficulty in regard to paragraphs (a), (b), (c), (d) and (e) of section 4. So far as paragraph (e) is concerned, there is a safeguard which is indicated on the opposite page: any person who commits an offence under paragraph (e) shall be proceeded against by indictment and not summarily. Paragraph (f) is the one which perhaps might be improved by further consideration, but the other paragraphs strike me as being all right.

Mr. BOYS: Why should there be a distinction between procedure by indictment and procedure by summary conviction? I have been trying my best to get at the reason. In the old act the minimum punishment in both cases is the same—six months. I have no desire to say a word which will aid any-

one who commits a breach of this act, but for the life of me I cannot see why the prosecuting officer should be in charge of the whole procedure; he can say whether it shall be by summary conviction or by indictment. The fact remains that the offence as defined in the paragraphs from (a) to (f) is identical; you have the same offence and you will have the same evidence in each instance. That being so, why in the world should a man in the one case be proceeded against by indictment, with the consequences which follow, namely, imprisonment for any term as high as seven years, whereas, with the same evidence touching the same offence, merely because some prosecuting officer chooses to proceed by summary conviction, the magistrate can impose a sentence of only eighteen months? I could understand it if the offences were described differently; in other words, a serious class of offences should be dealt with by indictment, with the maximum penalty of seven years. One could understand that. But here you have, in all these paragraphs, the identical offence; and then, for some reason which I confess I cannot appreciate at all, it is left to the prosecuting officer to say whether the proceedings shall be by summary conviction or by indictment. Why should that be so? Police magistrates have jurisdiction now to try cases by indictment, and if the accused desires so to be tried he may be, and the magistrate may impose any penalty he thinks fit, from a minimum of six months up to seven years; he makes the punishment fit the crime. You cannot do this, however, if the prosecuting officer chooses to lay the offence as summary conviction. Although the offence is identically the same, although it might be desirable that the man should be severely punished—the magistrate might feel it his duty to inflict such punishment—the hands of the court are tied because the proceedings have been laid as summary conviction. There should be some change in this respect. May I direct myself for a moment to what has been said with regard to (f). I do not think it is worded properly, and it would seem to me that an accused might answer the charge under that paragraph by simply proving that he has a license. What does the paragraph say? It reads:

> Manufactures, sells, gives away or distributes any drug, or any substance represented or held out by such person to be a drug, to any person without first obtaining a license from the minister.

That is to say, if he first obtains a license he may go ahead and do any of these things.

Mr. KING (Kootenay): Under the conditions laid down.

[Mr. Boys.]

Mr. BOYS: But why should a man be permitted to do any of these things, even though he obtain fifty licenses? The obtaining of a license should have nothing whatever to do with it; if the offender is guilty of misrepresentation, he is guilty of fraud and he should be successfully prosecuted, and whether he has a license or not has nothing whatever to do with that phase of the matter. I quite appreciate that it is the desire of the department to get people to purchase licenses; that is a different proposition. But do not let the nature of the act—whether it be a crime or not a crime—be dependent upon the possession or non-possession of a license. The main point I wish to emphasize is the one I have already referred to. The provisions in the old act give power to the magistrate to impose costs, and that is eliminated here. I do not know what the reason is; possibly there is a provision in the general act in this respect giving the magistrate the right to impose costs. However, I should like the minister to explain this point: Why, for the same offence and upon the same evidence exactly, can you have a prosecution either by indictment or by a summary conviction, with such a tremendous variation in the maximum penalty provided in each case?

Mr. STEWART (Leeds): The difficulty seems to have arisen from an attempt to insert, in paragraph (f), some words that do not fit the other provisions contained in it prior to the insertion of this amendment. Previously the section was perfectly correct, it read:

> Manufactures, sells, gives away or distributes any drug to any person without first obtaining a license from the minister.

That was proper. But when you insert these words:

> —or any substance represented or held out by such person to be a drug—

you use language that does not at all fit the rest of the provision. It is clumsy. I quite agree with my hon. friend (Mr. Boys). I had some experience in defending some parties charged under this act, and we were really at the mercy of the prosecuting officer, who might decide whether he would proceed by indictment or by summary conviction. He could have chosen the more severe course in an offence that was after all not a very serious one. It seems to me that we ought to segregate the offences in respect of which procedure might be taken by indictment from those in respect of which it would be proper and fitting that procedure be taken by way of summary conviction. In that way you would ensure certainty and you would secure a greater

measure of justice; moreover, it would facilitate matters for those in charge of the prosecution: they would not have to decide whether a particular offence should be taken by indictment or by summary conviction. After all, there is room for injustice here. The prosecuting officer might have some prejudice, some particular grudge against an individual, and the result might be that the accused would be liable to a very severe penalty. On the other hand, a person equally guilty might be let down very lightly. It is a dangerous power to place in the hands of any individual, and we ought to be more specific in regard to these provisions.

Mr. STEVENS: In discussing a matter which is strictly legal perhaps it is almost an impertinence for a layman to offer an opinion, but I recall very well the revision of this act some years ago. The conditions which led to the insertion in the act of the right to proceed summarily arose out of the repeated experience of law officers in their efforts to enforce the act. They found themselves faced with cases where it was not thought desirable to proceed by indictment and with others where magistrates, when the procedure was by indictment, would hesitate to impose the heavy penalties provided, and in many cases would let the offender off altogether Many cases of this kind arose in the city of Vancouver, and I can only speak for that city because I am not acquainted with what occurred elsewhere, although I do recall that at the same time there was quite an agitation in the city of Montreal, where the spread of the drug traffic was becoming alarming, as it was in Vancouver. At that time, about 1920 or 1921, I recall that there were known to be over 3,000 addicts in my own city, and those interested in the suppression of this traffic were very much alarmed. After an extensive study of the situation which was undertaken by social workers, magistrates, police officers and others, these provisions were placed in the act during that revision. I am not competent to express an opinion in opposition to those of my legal friends surrounding me, but I would very much regret any action by this house which would weaken this act by lessening the power of the magistrates and police officers to secure convictions and enforce the act. Since this act has been administered in this way for almost ten years with no demand for a change, as far as I know, other than the small changes suggested by the minister, I would regret to see the power of the courts and the police departments restricted in any way.

As to this question of whipping, I think I was the member who first introduced that question many years ago, and while I deplore the use of the lash as much as anyone yet there is a class of offenders whom it seems impossible to intimidate at all except by confronting them with the certainty of the lash if they are caught. I am not now speaking of the drug addict; I think we are all sympathetic towards the poor creature who becomes a drug addict. I think the most pitiful thing on the face of the earth is a person who has become a victim of this habit, but when we revised this act formerly we were trying to reach that impossible creature who made a living, very often a fabulous fortune, and who often moved in the best society, by selling and distributing these drugs. I believe it was only because of the agitation of some ten years ago and the teeth which were put into the law at that time, together with the vigorous administration, that a considerable reduction in this habit has taken place throughout the country. I think it is less prevalent now than was the case then; I believe if we had before us the opinions of experienced officers we would find that to be the case. My own opinion, based upon some knowledge, is that it is less. Do not let us take out of this act any teeth it has; if we could put a few more into it we would do well. We must reach that type of individual described by my hon. friend from Frontenac in vigorous terms, that type who is preying upon the unfortunate victims of drugs and who deliberately schemes to inoculate, if I may use the word, high school girls and boys in order to introduce them to the use of drugs, a practice which we found being carried on a few years ago. If we can restrict individuals of that type we should do so, and I submit that we can very well leave this to the discretion of the presiding judge as to whether or not the lash should be applied. I do not recall in my observation of the records of cases in recent years, any instances where judges having the discretionary power to administer the lash in cases of violent holdups and the sale of drugs, improperly used that power.

Mr. CAHAN: We had a recent case in the city of Montreal where the lash was imposed, but later it was proven beyond doubt that the man convicted was absolutely innocent.

Mr. STEVENS: It may be that the wrong individual is sentenced sometimes, but in almost every case the crime itself warrants the application of the lash where it is applied.

There was a case in the English courts recently; a man was hung for murder and was subsequently proven to be innocent. I will admit that there may be some cases of this kind but they are very rare and I think we can properly leave this power to the discretion of the judge.

Mr. EDWARDS (Frontenac): I have been under the impression that the particular punishment provided in this subsection referred only to subsection (e). Am I wrong in that understanding?

Mr. MANION: In view of the differences of opinion existing in connection with section 4 I do not think it should be proceeded with to-day. Consider subsection (f), for instance, with which we have been dealing; the more one studies it the more one realizes that it is wrong. It says:

Every person who manufactures, sells, gives away or distributes any drug—

"Drug" must mean the drugs mentioned in the schedule, opium, morphine, cocaine, and the other derivatives. The subsection proceeds:

—shall be guilty of an offence—

This is a most despicable thing; the person mentioned here is supplying to some other person a drug which forms a terrible habit through which the life of the man, the woman, or the child may be ruined. But the remainder of the subsection presents another question. It says:

—or any substance represented or held out by such person to be a drug—

In that case at the worst a man is only committing a very small fraud. Take the case I mentioned earlier, that of a druggist who is being bothered by someone whom he knows to be a cocaine addict. This addict keeps troubling the druggist, and in order to get rid of him the druggist gives the addict a little boracic acid which would pass as cocaine for the time being. That druggist would be subject to punishment, not only imprisonment but whipping. At the worst he would have only committed a little fraud. He would have taken a dollar or two from the man for some boracic acid which might be worth five or ten cents. He might give him the boracic acid just to get rid of him and there would be no harm done. I think the minister should hold up this clause and not attempt to press it through to-day. It should be looked over by the Justice department and also by his own department.

Mr. KING (Kootenay): I have no objection to it standing over.

[Mr. Stevens.]

Mr. BOYS: My hon. friend from Vancouver Centre (Mr. Stevens), perhaps without intending to do so, has put me in rather a false position. I have not the slightest desire to make this act less severe; it is quite the reverse. I claim the way it stands now it is less severe than it would be if it were worded as I suggested. My hon. friend has said that the purpose of this legislation is to prevent the magistrate from being too lenient, if I understand him correctly, and he proposes to divide it and have one come under indictment and one by way of summary conviction.

Mr. STEVENS: I did not say that.

Mr. BOYS: If I have put the wrong interpretation on what my friend said, I will be very glad to give him a chance to correct it. You have only to look at the section to see that the minimum penalty is six months and $200, and it is identically the same in the section which follows and which covers summary convictions. If you proceed by way of indictment, the magistrate may give as low a penalty, under that, as he could under the summary conviction clause.

Mr. KING (Kootenay): That would be left to the court.

Mr. BOYS: If a prosecuting officer saw fit to proceed by way of summary conviction, the magistrate could only impose a fine of $200 or imprisonment up to eighteen months, even though the crime might warrant much more severe punishment. Where the procedure is by way of indictment the magistrate can go as high as seven years or as low as six months. What is the object of having a double-barreled proposition? The only effect it can possibly have is to place it in the hands of the prosecuting officer. If the only procedure was by way of indictment the accused could elect to be tried by the magistrate, which would be summary in that sense, or he could have a trial by a judge and jury.

Mr. RYCKMAN: I would like to have section 5 stand, and I think it would be better if the whole bill were not considered just now. I add to what the member for Fort William (Mr. Manion) said, by pointing out that the kind friend with the subterfuge of boracic acid comes under the section which imposes the severe penalty of seven years and whipping. The druggist who is licensed can do that with impunity, and if he should sell improperly he is only liable to eighteen months imprisonment. So the kind angel who is willing to help a poor fellow is liable to seven years and whipping, and the man who deliberately breaks the law is only liable to eighteen months.

Mr. KING (Kootenay): He is not a kind angel.

Mr. YOUNG (Saskatoon): Under section (f), would a doctor, following his usual medical practice, be obliged to obtain a license from the minister?

Mr. KING (Kootenay): No. If he made a practice of selling drugs he would have to obtain a license, but not for his ordinary practice.

Mr. YOUNG (Saskatoon): The paragraph says, "manufactures, sells, gives away or distributes." I believe that a doctor, in the usual course of his practice, would come under one of those headings. I feel sure that every hon. member is in sympathy with the department in their efforts to control this traffic in drugs. This is something we should take every precaution to control properly, but in doing that I think we should carefuly safeguard those things which have to be properly and legally done. I think this paragraph should be amended in some way so that a doctor should not be penalized for doing what he is supposed to do.

Mr. KAISER: The wording of this clause should make it very clear as to whether it applies to the trafficker in drugs or otherwise. Certain confusion exists in the minds of many people regarding this act, and especially those who are victims of these drugs. It says here:

(1) Every person who
(d) has in his possession any drug save and except under the authority of a license from the minister first had and obtained, or other lawful authority;

Some people believe that they can secure a license from the minister to purchase these drugs for their own personal use, and if they have a drug in their possession obtained in this way it is perfectly safe, but if they secure a drug by other means then they are liable to the penalties of this act. This paragraph says that they can have a drug in their possession by virtue of a license from the minister or other lawful authority. What do you mean by "other lawful authority?" In the other clauses the only authority mentioned is that of a license from the minister.

Mr. KING (Kootenay): A wholesaler's license. If my hon. friend will look at clause 7, it will throw some light on what he is worrying over. Clause 7 reads:

The provisions of paragraphs (d) and (f) of section four shall not apply to a duly authorized and practising physician, veterinary surgeon or dentist, or any druggist carrying on a bona fide business in a shop or store, who does not manufacture any drug; but every physician, veterinary surgeon, dentist and druggist, shall make to the minister, as and when required, a declaration in the prescribed form, stating that he is engaged in the sale or distribution of opium, morphine, cocaine, and their respective salts or derivatives, or otherwise, as the case may be.

Mr. KAISER: What about the patient, the man who is a victim of the drug habit if he is found with any of these drugs?

Mr. KING (Kootenay): He would be in unlawful possession and would be liable.

Mr. KAISER: A poor addict is liable to be brought before the court, sent to prison for seven years and whipped because he is a victim of circumstances, haunted by a habit which he may not have contracted willingly but which has been forced upon him. That is a condition which to my mind is absolutely obnoxious.

Mr. BLACK (Yukon): The underlined words in paragraph (f)—

or any substances represented or held out by such person to be a drug.

—seem to have been inserted in accordance with the note of explanation opposite page 4 which reads:

There have been several cases in which the drug actually handled in a narcotic transaction, proved to be Novocaine, which is not dealt with under the act. In some of these cases, the trafficker was honestly of the opinion that he was handling a narcotic drug, and in view of the increasing use of Novocaine in this regard, this addition to the act is considered necessary.

Why not add the word "Novocaine" to the drugs mentioned in the schedule, and then you could do away with those underlined words in paragraph (f) which seem to be objectionable?

Mr. KING (Kootenay): There might be other substitutes than Novocaine.

Mr. BLACK (Yukon): Put them in as you find them from year to year.

Mr. RENNIE: I would like to ask the minister a question about the addict. Is any provision made by the government to take care of those addicts except to send them to gaol? I think it would be more fitting if the government had institutions to which these men could be sent to be cured, and when they were cured they could be allowed to have their freedom. If they commenced the habit again, they could be sent back to some of these institutions instead of being sent to gaol and whipped.

Mr. KING (Kootenay): My hon. friend understands that the matter of treatment comes within the provincial jurisdiction. I am informed that two provinces in Canada have passed legislation whereby the addict

can be taken into a hospital and retained there for treatment, whereas in the other provinces the addict cannot be kept in hospital if he does not wish to stay there.

Mr. RENNIE: I do not know where those institutions are that the government has control of. There are private institutions and insane asylums.

Mr. KING (Kootenay): Two provinces have passed legislation making it possible to take the addict into an ordinary hospital and retain him there for treatment. I refer to Nova Scotia and Alberta. The other provinces have not advanced that far and an addict cannot be kept in hospital if he does not wish to stay there.

Mr. RENNIE: We do not desire to pass a law to send these addicts to gaol; we would rather have them sent to proper places for treatment.

Mr. KAISER: The point is well taken that in some places in Canada they regard these people who are victims, as addicts who should be treated and treated with some degree of kindness. According to the minister's statement the Dominion government looks upon them as a most horrible kind of criminal.

Mr. KING (Kootenay): The minister has made no such statement.

Mr. KAISER: Under this act he can have them sentenced to seven years in the penitentiary and to be whipped.

Mr. KING (Kootenay): No.

Mr. KAISER: That was the minister's statement a few minutes ago.

Mr. KING (Kootenay): My hon. friend is entirely mistaken. This does not refer to the addict; it is to whip the man who sells the drug to the addict.

Mr. KAISER: The bill does not say that; it says "any person who has in his possession the drug." Many a medical man has endeavoured to cure these people by giving them a small amount of drug, thinking the weaning process is the better way to produce a cure, and he may entrust a patient with a small portion of a drug. The minister says that is not the legal way to act; that the doctor should treat the man in his office, and if a doctor acts on his conscientious opinion and a man is found with the drug in his possession, the bill says that the way to treat him is to imprison him for seven years and whip him.

Mr. KING (Kootenay): No.

Mr. ROSS (Kingston): I think the minister would be well advised if he left the whole bill over for the present, because there are three or four members who have particular cases which they would like to draw to his attention. I do not believe any person will defend the selling of a drug in certain cases, but the minister knows as well as I do that the difficulty is to distinguish between the man who is an addict, perhaps a nervous case, and a man with some physical disability who requires drugs.

Mr. KING (Kootenay): Provision is made for that.

Mr. ROSS (Kingston): I know, but at the same time there are certain abuses of this act. Just in to-day's paper there is another example of bringing before a court a physician who should never have been brought into court. I am referring to a case in my constituency. If the minister saw that case and knew the history of that medical man he would be the first one out of his kind heart to say that he would never have such a case go before a court. The man is not a responsible party and yet, by the use of these stool pigeons of the department he is to-day facing, if this legislation goes through, perhaps a public whipping. I graduated with the man; a man of finer character never graduated from any university; but through his medical practice he has acquired certain habits which have put him into this position, and by means of stool pigeons of the department he is to-day facing a public whipping. I should like to have time to study this bill and there are two or three other members who would like to do so also. I would ask the minister to leave it over for another sitting.

Mr. EDWARDS (Frontenac): I am sure the object of all of us is the same, namely, to make this bill as perfect as possible. I do not for one moment believe the minister has any idea that the addict should come under the lash. I know it is not in my mind to be unjust, or unreasonable, and if the bill is open to any such interpretation it is our duty to remove such a conception. We are all anxious to assist the minister in every way possible, to use the expression of the hon. member for Vancouver, to keep the teeth in the act so that we shall get after the persons we really want to get after. I feel I am speaking for those who sit on this side when I say that we do not want to take up the time of the committee with captious criticism, but I would like to study this measure more thoroughly and with an honest desire to assist in every possible way.

Mr. KING (Kootenay): I am sure there is no desire to push the bill through the house hurriedly. I am anxious that the bill should be thoroughly understood by the members and given every consideration because I am satisfied that we are in agreement with its object, namely, to control if possible the traffic in these narcotic drugs and to frame legislation so that the officers who are charged with the enforcement of the act will have the instrument necessary to put a stop to this traffic.

Progress reported.

HIS MAJESTY THE KING

MESSAGE OF THANKFULNESS AT PROMISE OF COMPLETE RECOVERY

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the senate acquainting this house that the senate doth unite with the House of Commons in their address to His Most Excellent Majesty the King, expressing the thankfulness and rejoicing of the people of Canada on the promise of complete recovery of His Majesty, and have filled in the blank space therein with the words "senate and".

And also, a message requesting this house to unite with the senate in an address to His Excellency, the Governor General, praying His Excellency to transmit the joint address of both houses to His Most Excellent Majesty the King, expressing the thankfulness and rejoicing of the people of Canada on the promise of complete recovery of His Majesty in such a way as to His Excellency may seem fit, in order that the same may be laid at the foot of the throne, and that they fill in the blank space therein with the word "commons".

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

That a message be sent to the senate to acquaint their honours that this house doth unite with the senate in an address to His Excellency the Governor General praying His Excellency to transmit the joint address of both houses to His Most Excellent Majesty the King expressing the thankfulness and rejoicing of the people of Canada on the promise of complete recovery of His Majesty, in such a way as to His Excellency may seem fit, in order that the same may be laid at the foot of the throne, and have filled in the blank space therein with the word "commons"; and that the Clerk of the House do carry the said message to the senate.

Some hon. MEMBERS: Carried.

Mr. SPEAKER: By unanimous consent.

Motion agreed to.

ROOT VEGETABLES ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 5, to amend the Root Vegetables Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Regulations.

Mr. STEVENS: I assume from a glance at the bill that the minister has received some representations in regard to this matter.

Mr. MOTHERWELL: Yes.

Mr. STEVENS: I have myself received a request from the Fruit and Produce Credit Association of Vancouver. I will read their resolution, and the minister can state whether the bill as drafted will cover their request. The memorandum I have reads:

Vancouver, January 15, 1929.

The following resolution was passed by Vancouver Wholesale Fruit and Produce Dealers at their meeting here to-day:

Resolved that we the wholesale fruit and produce dealers of Vancouver go on record that the Root Vegetables Act of 1922, and grades established therein for potatoes and onions, does not conform to the standard required for good commercial practices, and we would recommend that the government, by order in council, and on recommendation of growers, shippers and the wholesale trade, have authority to establish grades as required by said order in council.

I would ask the minister if he contemplates in this bill meeting such a request as that.

Mr. MOTHERWELL: Similar representations have come not only this year but for many years, and not only from British Columbia, but from right across Canada asking for the same thing, and also asking for grades to be established for export purposes, with fees to be charged in connection therewith. When we come to the section, there may be a question whether we should use the word "order in council" which is sometimes objected to, as against a ministerial order. I have an open mind on the subject, and when we come to that section we can take that up.

Mr. ILSLEY: I would draw the minister's attention to the new section 3 which it is proposed to substitute for the present section, requiring the inspection and the issuing of a certificate or permit for vegetables intended for export, and the imposition of fees for such inspection certificates or permits. The explanatory note says:

At the present time practically all the potatoes marketed from New Brunswick, Prince Edward Island and British Columbia in carloads are moving under a government certificate of inspection for which a fee is charged, but there is no provision under the act legalizing this service.

It appears to me that the proposed amendment goes much further than simply legalizing what is taking place in New Brunswick, Prince Edward Island and British Columbia at the present time. If a regulation is made under this section, it may require all shipments of vegetables for export to be submitted to inspection. It may introduce a new and compulsory feature into the act, and there is a feeling on the part of a good many shippers of potatoes that the compulsory feature should not be introduced into the act; that is, it should not be obligatory upon any shipper to submit his shipment to inspection. It should not be necessary for all shipments to be submitted to inspection. At present practically all shipments are submitted to inspection and inspection certificates applied for, as the explanatory note says, but why should a shipper who perhaps has a customer in Boston or some other foreign market who is quite content to accept that shipment without a certificate, be obliged to call in the government inspector, obtain a certificate, and pay a fee therefor, when he has nothing to gain thereby? I am simply suggesting to the minister that if he wishes to carry out the object set out in the marginal note, he is going much further than he needs to go. If he used the word "authorizing" instead of "requiring" in paragraph (b), it would meet the purpose set out in the explanatory note.

Mr. MOTHERWELL: A great many vegetables in the maritimes, British Columbia and elsewhere are now inspected at the shipping point, and a fee of $4 is charged for the service. We find the desire constantly growing that this inspection service be made general, because occasionally a shipper gets across a bad shipment, which injures the reputation of all the vegetable growers of Canada. We are following here the same course we took in connection with the grading of fruit. There we took authority to prescribe to what parts of Canada it would apply. It now applies to all parts of Canada except the maritime provinces, which are exempted in the meantime. In the past we have found this difficulty, that we have had to wait until all Canada was ready before we took a forward step of this nature. Having regard to the great extent of Canada, you sometimes have to wait many years for all parts to be ready, and in the meantime, while one part of Canada is not ready, all the other parts are sweating under the collar to make progress. Here we are providing that the minister, on the recommendation of the vegetable growers and allied interests, may prescribe the time when any regulation shall come into force, and the particular kind or kinds of vegetables to which it shall apply, and the part or parts of Canada in which it shall be in force. Now, British Columbia has always been in the forefront in demanding that their product be graded, and graded well. Rather than hold them back or press this inspection on other parts of the country before they are ready, we are taking authority to put it into force as required. I may say that if there is any general demand from Nova Scotia that this grading be not applied there, it will not be applied. I can assure my hon. friend that this authority will be exercised with the same care and discretion as it was under the Fruit Act.

Mr. ILSLEY: Have any requests been received from Prince Edward Island, for instance, where nearly all the potatoes now are moved under certificates of inspection?

Mr. MOTHERWELL: We always take it for granted that Prince Edward Island is ready for any reform of this nature, as they always have been in the case of other commodities. We have had a request from New Brunswick to apply the principle to all of Canada, and to themselves particularly. About a month ago a deputation came from the maritimes, headed by the Minister of Agriculture of Prince Edward Island and composed of a number of representative potato growers from New Brunswick. They were strongly in favour of this very thing. They pointed out that the grades of both potatoes and onions were so obsolete that they were quite out of line with the competitive grades that they came in contact with in the United States. They not only wanted better grading, but they desired that every exporter of potatoes to the United States should comply with the same form of inspection. That law is applicable to all our export commodities outside of grain. You cannot ship butter, cheese or eggs overseas without an export certificate; the same thing applies to apples except from the maritimes. So it is the rule rather than the exception.

Mr. CHAPLIN: If the present inspection is working satisfactorily, why the need of further inspection by this particular branch of the Agriculture department—why this dual inspection?

Mr. MOTHERWELL: I do not think there will be dual inspection. Once you adopt a system for export the trade falls into line. For butter, or cheese—

Mr. CHAPLIN: Let us stick to vegetables, and leave out butter and cheese.

Mr. MOTHERWELL: —they will adopt automatically the grades designated as suitable for export.

Mr. EDWARDS (Frontenac): Does the minister make these regulations only at the request of provincial organizations?

Mr. MOTHERWELL: Yes.

Mr. EDWARDS (Frontenac): It says:

The minister on recommendation of vegetable growers and allied interests, through their respective provincial organizations, may make regulations:—

Mr. MOTHERWELL: That is all.

Mr. EDWARDS (Frontenac): Unless you get such recommendation you do not make regulations?

Mr. MOTHERWELL: Yes. We have been in touch with provincial organizations all across Canada. They are as nearly unanimous as can be in regard to this matter.

Mr. EDWARDS (Frontenac): It is different from the procedure followed in the grading of eggs, in which case the department goes ahead without any recommendations.

Mr. MOTHERWELL: Yes. As we get more experience with this class of grading legislation we find it pays to get a large body of public sentiment behind us before putting any regulations into effect. To-day we are in touch with many more representative organizations than we ever were.

Mr. CAHAN: Mr. Chairman, last session the Minister of Agriculture introduced a bill which in its scope applied to market gardening, compelling market gardeners to sell their produce in neighbouring cities and towns by weight, not by measure. If my memory is correct, that bill was withdrawn in view of the discussion which took place. We had representations—I was overwhelmed with them from the island of Montreal—against compelling the market gardener there to weigh all his vegetables as he sold them from house to house. Moreover, I made inquiry of the department of weights and measures, and I found there was no scale manufactured and sold in Canada which would enable the market gardener to comply with the provisions then proposed. Now I see by section 3 the minister may make regulations:

(c) prescribing the units of sale for vegetables in small quantities;

By this simple phrase is it the intention of the minister to make by order in council exactly those prohibitions which this house refused to impose when the former bill was introduced?

Mr. MOTHERWELL: No, this is to modify the section to which he refers, so that it may not apply to any quantity of a bushel or under. We will specify the size of the container and allow vegetables to be sold by measure as well as by weight. It is in compliance with that demand, Mr. Chairman, that the proviso referred to by my hon. friend has been inserted in the bill—not to dodge it, but to comply with it.

Mr. CAHAN: Of course, I cannot make a study of the minister's mind, but the clause is so wide as to enable him to do exactly the opposite to that which, he says, is intended.

Mr. MOTHERWELL: No. The main act requires that those things shall be sold by weight; this modifies that requirement and enables them to be sold by measure.

Mr. CAHAN: I shall have to accept the minister's explanation, but I can assure him —not by way of intimidation—that if he attempts to exercise his discretion as I have suggested, he will create an election issue in the island of Montreal which will be more potent than any other that I can think of.

Mr. MOTHERWELL: We have no desire to create an election issue.

Section agreed to.

On section 3—Regulations etc.

Mr. MOTHERWELL: I think, Mr. Chairman, we have discussed every subsection of this section on the issue raised.

Section agreed to.

On section 4—Form and dimensions of packages fixed by regulation.

Mr. COOTE: Will the minister explain what is meant by "allied interests" in subsection 1 of the new section 3?

Mr. MOTHERWELL: That means the produce men generally, including wholesalers and retailers. Quite frequently we find they are more familiar with the market requirements than the growers themselves.

Mr. ILSLEY: The principle introduced by subsection (b) of the new section 3 was up last year, and I think at that time it was pretty well understood that the compulsory element was not being introduced. Certainly I have no objection at all to legislation being

enacted to carry out the object mentioned in the explanatory comment; but I do object to subsection (b) of section 3. It enables an oganization, which may not be at all representative of the shippers and the producers, to pass, at a meeting perhaps very slimly attended, a resolution upon which the government may act by order in council, although the great majority of the producers of the province may be opposed. I am informed that in Prince Edward Island, to which this applies to a large extent, there is no demand for such a provision. There were, I believe, a few resolutions from New Brunswick; I do not know whether there were any from British Columbia. But so far as Nova Scotia is concerned, the province from which I come, the potato growers will not want the government to take power by order in council to compel all shippers, at a fee of so much per barrel, to submit their produce to inspection.

Mr. MOTHERWELL: We are following exactly the same course which we take in respect to all our export surpluses, such as butter, cheese, eggs and so forth. Wherever there is a very decided objection as was the case in Nova Scotia in the matter of fruit, we exempt that territory until pressure from the rest of Canada becomes so strong that, in the interests of the country as a whole, it is felt that the provision should apply throughout the Dominion. That time has not yet arrived and we have not applied the law to Nova Scotia as regards fruit. Surely, then, my hon. friend can trust us to follow the same course with respect to vegetables; it seems to me to be the least objectionable course to take. The rest of Canada —British Columbia—will have a greater grievance against us for not making the application general than my hon. friend has against us for wishing to apply it to the maritime provinces. The great majority in the maritimes now desire to have certificates. My hon. friend (Mr. Barber) is a produce man and he knows the value of certificates; they do not ensure perfection, but they are a tremendous factor in facilitating our export trade.

Mr. ILSLEY: It is admitted that in the maritime provinces most of the shippers are requiring certificates. But, inasmuch as the explanatory section states that the practice is not legal, and you wish to legalize it, why not legalize it without going very much further?

Mr. MOTHERWELL: I have a number of recommendations from Prince Edward Island—they come from Charlottetown and other places—asking for this law. The communications come from a wide range of places throughout Canada, and we have been getting them for a number of years. This is the seventh year in which the demand has been repeated. In fact, if you go back over the years to the previous government, you will find that in the session of 1920-21 a bill was brought down. It did not go through; but finally, as one district after another has come to realize the advantage of a grading system, they are all rapidly falling into line. Now we are endeavouring to crystallize the desire into law, and I trust there will be no serious objection.

Mr. FOSTER: I come from a district that grows potatoes, and I can assure you that the people there are clamouring for inspection. In my own town both shippers and growers are demanding it. I believe it is a good thing. As it is now, one buyer wishes to have inspection, while another takes the attitude that he can get by without it, and the result is that he is likely to ship inferior produce.

Section agreed to.

Sections 4 and 5 agreed to.

On section 6—Vegetables unfit for use not to be sold.

Mr. MOTHERWELL: This and the ensuing sections are merely clerical changes to give a wider definition.

Section agreed to.

Sections 7 to 9 inclusive agreed to.

On section 10—Penalty for violation of act.

Mr. MOTHERWELL: The penalty applies to the regulations as well as to the act.

Section agreed to.

Bill reported, read the third time, and passed.

UNOPPOSED MOTIONS FOR PAPERS

CANADIAN EXPEDITIONARY FORCE—OFFICERS' PENSIONS

Mr. HUBBS:

For a return showing the names and present addresses of all officers of the C.E.F. who have had their pensions reduced under section 14, subsection 1, of the Pensions Act, which reads:

"Pensions shall be paid to, and in respect of a member of the forces, in accordance with the rank or acting rank, for which he was being paid pay and allowances at the time of the appearance of the injury or disease for which he is pensioned."

BELL TELEPHONE COMPANY—CAPITAL STOCK

Mr. GOTT (for Mr. Church):

For a copy of all correspondence, letters, agreements, telegrams, orders in council and all other documents during the years 1927, 1928 and 1929 between the government of Canada or any member thereof or any official thereof and the president, directors or other officials of the Bell Telephone Company of Canada or any other person or persons regarding their application for increase to seventy-five millions of the capital stock of the said company and/or in relation to their application for legislation of 1928 and 1929.

SEVEN SISTERS FALLS

Mr. GOTT (for Mr. Church):

For a copy of all correspondence, letters, telegrams, leases, agreements, reports, orders in council, and all other documents between the Minister of the Interior or any other member of the government of Canada and the government of Manitoba or any member or official thereof and any other person or persons in relation to the Seven Sisters Falls in the province of Manitoba, or any leases or grants in relation thereto.

CANADIAN TOBACCO GROWERS' COOPERATIVE COMPANY

Mr. GOTT:

For a copy of all correspondence, letters, telegrams, reports, recommendations, communications or other documents of any kind pertaining to any transaction between the government of Canada and the Canadian Tobacco Growers Co-operative Company, of Kingsville, Ontario, both prior to and following their assignment.

TREATIES AND CONVENTIONS MADE BY OR AFFECTING CANADA

Mr. CAHAN:

For a statement showing each and every treaty or convention made by the government of the United Kingdom with any foreign state, now outstanding and in effect in whole or in part, which in terms applies to the Dominion of Canada, or which the parliament of Canada has confirmed by statute or by resolution, or to which, in whole or in part, the government of Canada has given its formal adhesion; giving the date of each such treaty or convention, the name of foreign state with which such treaty or convention was concluded, and citing the references to the publication of each such treaty or convention;

2. For a similar statement showing each and every treaty or convention made or concluded by Canada with any foreign state, citing similar references to the publication of each such treaty or convention; and

3. For a statement showing each and every enactment of the parliament of Great Britain, which, by its express terms or by necessary implication applies to the Dominion of Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I see no objection to the motion being adopted, but I hope my hon. friend recognizes the extent of his request. In order to give him a statement of each and every enactment of the parliament of Great Britain, which by its express terms or by necessary implication applies to the Dominion of Canada, we may have to employ experts. However, I will say to my hon. friend that we will do the best we can to get all the information he desires.

Motion agreed to.

BANK MERGERS

Mr. GOTT (for Mr. Church) moved:

For a copy of all correspondence, letters, telegrams, agreements, orders in council and all other correspondence between the government of Canada or any member thereof or the Minister of Finance or any official of the government and any other person or persons or the president, directors or officials of any other bank in relation to the merger of the Standard Bank with the Canadian Bank of Commerce or correspondence during 1928 and 1929 in relation to the proposed merger of any other chartered banks other than the aforesaid.

Hon. J. A. ROBB (Minister of Finance): There is no objection to bringing down all the correspondence asked for down to the words "Standard Bank with the Canadian Bank of Commerce" but I desire to direct the attention of the house to the last two lines of the motion which ask for the correspondence during 1928 and 1929 in relation to the proposed merger of any other chartered banks. Speaking from memory I do not think there is any other correspondence, but everyone knows how easily a run on a bank may be started, and it seems to me it would be well to strike out the last two lines in the general interests of the country.

Motion as amended agreed to.

NATURAL RESOURCES—WESTERN PROVINCES

Mr. GOTT (for Mr. Church) moved:

For a copy of all correspondence, letters, telegrams, agreements, orders in council and all other documents during the years 1925 to 1929 between the government of Canada or any member thereof or any officer thereof and the governments of Manitoba, Saskatchewan, Alberta and British Columbia, or any officer or member thereof, regarding the return of the natural resources of these provinces or any readjustment thereof.

Right Hon. W. L. MACKENZIE KING (Prime Minister): At the last session of parliament a similar return was asked for and was made, including all the correspondence up to a certain date. On the opening day of this session the leader of the opposition (Mr. Bennett) asked me to bring down such further correspondence as we had had with the prairie provinces and also with British

Columbia in respect to the transfer of the natural resources. That return was made the following day, so that all the papers requested in this return are now down. I think this motion might be dropped.

Sir GEORGE PERLEY: I think it might be better to leave it on the order paper and let the Prime Minister make this statement to the hon. member himself.

Mr. MACKENZIE KING: I do not wish to be discourteous; I thought the hon. member would read my remarks in Hansard and feel quite satisfied, but if it is a matter of courtesy I shall be glad to let it stand.

Motion stands.

ST. LAWRENCE WATERWAY

BEAUHARNOIS POWER PROJECT

Mr. GOTT (for Mr. Church) moved:

For a copy of all correspondence, letters, telegrams, agreements, notices, orders in council and all other documents between the government of Canada or any member thereof or the Minister of Public Works and any other person or persons relating to the passing or approval of plans of any company or companies under the Navigable Waters Protection Act or as to the legislation of the Great Lakes and Atlantic Canal and Power Company or any director or official thereof or any other similar company seeking similar powers for the development or generation of water-power from the St. Lawrence river between Cornwall, Hungry bay and the head of navigation at Montreal or with the governments of Quebec, or Ontario, or any member thereof in relation to the said question commonly known as the Beauharnois power and canal proposition.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps as a matter of courtesy we should let this motion stand until the hon. member is here.

Motion stands.

SEVEN SISTERS FALLS

Mr. HEAPS:

For a copy of all letters, telegrams, correspondence or any other documents in connection with the lease of the Seven Sisters Falls site, on the Winnipeg river, to the Winnipeg Electric Company or any subsidiary thereof.

Hon. CHARLES STEWART (Minister of the Interior): This motion is covered entirely by one passed a few moments ago; the same documents are asked for, so I cannot see any good reason for bringing down two sets of papers on the same subject.

[Mr. Mackenzie King.]

Mr. HEAPS: With the consent of the house I will withdraw the motion, as it seems to be covered by the previous one.

Motion withdrawn.

TITLES OF HONOUR

PROPOSED APPOINTMENT OF SPECIAL COMMITTEE

Mr. C. H. CAHAN (St. Lawrence-St. George) moved:

That a special committee of this house consisting of eleven members be appointed forthwith to investigate and report upon the advisability of qualifying, amending or rescinding the address to His Majesty the King, which was adopted by this house in May, 1919, dealing with the conferring by His Majesty of titles of honour or titular distinctions upon His Majesty's subjects domiciled or ordinarily resident in Canada; and also to consider and report upon the appropriate action, if any, which the parliament of Canada should take with respect to the acceptance, enjoyment or use by persons domiciled or ordinarily resident in Canada of titles of honour or titular distinctions or decorations conferred by any foreign government, governmental authority, potentate or power; and also to consider and report upon the advisability of instituting orders of merit, distinctions or decorations, which may be conferred by His Majesty upon persons domiciled or ordinarily resident in Canada, on the advice of the government of Canada, in recognition of distinguished public services; and that such committee have power to send for persons, papers and records, and to report from time to time to this house.

He said: Mr. Speaker, the address which was passed by this house in May, 1919, and which was forwarded by His Excellency the Governor General of Canada to the Secretary of State for the Colonies, in June, 1919, reads as follows:

To the King's Most Excellent Majesty.
Most Gracious Sovereign.

We, Your Majesty's most dutiful and loyal subjects, the House of Commons of Canada in parliament assembled, humbly approach Your Majesty, praying that Your Majesty may be graciously pleased:—

(a) To refrain hereafter from conferring any title of honour or titular distinction upon any of your subjects domiciled or ordinarily resident in Canada, save such appellations as are of a professional or vocational character or which appertain to an office.

(b) To provide that appropriate action be taken by legislation or otherwise to ensure the extinction of an hereditary title of honour or titular distinction, and of a dignity or title as a peer of the realm, on the death of a person domiciled or ordinarily resident in Canada at present in enjoyment of an hereditary title of honour or titular distinction, or dignity or title as a peer of the realm, and that thereafter no such title of honour, titular distinction, or dignity or title as a peer of the realm, shall be accepted, enjoyed or used by any person or be recognized.

All of which we humbly pray Your Majesty to take into your favourable and gracious consideration.

The despatch which was sent by His Excellency the Governor General, dated Government House, Ottawa, 12th June, 1919, No 495, reads as follows:

My Lord,

I have the honour to transmit, herewith, with the request that it may be humbly laid at the foot of the throne, an address to His Majesty the King from the House of Commons of Canada on the subject of the conferring of honours on British subjects resident in Canada.

I have the honour to be,
My Lord,
Your most obedient, humble servant,
Devonshire.

The Right Honourable
The Viscount Milner, G.C.B., G.C.M.G.,
Secretary of State for the Colonies.

That despatch was answered by despatch No. 347 from the Secretary of State for the Colonies to His Excellency the Governor General of Canada, which reads as follows:

Downing Street,
7th August, 1919.

My Lord Duke,

I have the honour to acknowledge the receipt of Your Excellency's despatch No. 498 of 12th June, transmitting an address to His Majesty the King from the House of Commons of Canada relative to the conferring of titles of honour on British subjects resident in Canada, and to request you to inform your ministers that the address has been laid before the King who was pleased to receive it very graciously and that His Majesty will take it into consideration and will in due course intimate his pleasure with regard to the matters of which it treats.

I have the honour to be,
My Lord Duke,
Your Grace's most obedient,
humble servant,
Milner.

Governor General
His Excellency
The Duke of Devonshire, K.G., G.C.M.G., G.C.V.O. &c. &c. &c.

No further despatch is to be found in the record of the communications between the Secretary of State and His Excellency the Governor General. A short time thereafter His Majesty the King issued certain amended regulations respecting foreign orders and medals applicable to persons in the service of the crown, and similar regulations applicable to persons not in the service of the crown. His Majesty expressed the following views:

1. It is the king's wish that no subject of His Majesty in the service of the crown shall accept and wear the insignia of any foreign order without having previously obtained His Majesty's permission to do so, signified either:

(a) By warrant under the Royal Sign-Manual, or

(b) By restricted permission conveyed through the Keeper of His Majesty's Privy Purse.

Section 2 deals with the granting of restricted permission, and section 3 with the granting of unrestricted permission. Sections 4 and 5 read as follows:

4. Restricted permission is particularly contemplated for decorations which have been conferred in recognition of personal attention to the head of a foreign state, and which are therefore of a more or less complimentary character, but will also be granted for decorations conferred on other exceptional occasions when in the public interest it is deemed expedient that they should be accepted.

5. Restricted permission will generally be given for decorations conferred in the following cases, but, as indicated in the preceding paragraph, will not necessarily be limited to these cases:

Then the section goes on to give a number of special cases where such permission is granted. Section 6 reads as follows:

6. The desire of the head of a foreign state to confer upon a British subject in the service of the crown the insignia of an order must be notified to His Majesty's principal secretary of state for foreign affairs either through the British diplomatic representative accredited to the head of the foreign state, or through his diplomatic representative at the Court of St. James.

When His Majesty's permission has been obtained then the order may be worn. I have had a return brought down showing that since the passing of the address which I have read, some 646 foreign orders, distinctions, decorations, have been conferred by foreign governments upon British subjects resident in Canada and the king has given his consent to these by warrant in due course. These recipients have all served in either the military or the naval forces of Canada, and His Majesty the King is evidently of opinion that they do not come within the scope of the address which was passed by this house and which I have read in full. Other foreign governments have from time to time asked for permission to bestow decorations or distinctions upon British subjects domiciled in Canada, and in each case His Majesty has declined to give his consent. I think we may read between the lines that His Majesty, acting in his discretion, does not intend to consent that foreign governments should bestow titular distinctions and decorations upon his subjects domiciled in Canada when he is prevented from bestowing, by right of his own prerogative, similar titular distinctions and decorations, in view of services

rendered to the state by British subjects domiciled in Canada. I do not wish to go into particulars, but a list of those decorations or distinctions which His Majesty on the advice of the government of Canada, I think—

Mr. MACKENZIE KING: No.

Mr. CAHAN: —well, I do not know upon whose advice, but upon proper advice, or acting upon his own discretion refused to approve—

Mr. MACKENZIE KING: I beg my hon. friend's pardon. I thought he was going to say that approval had been given on advice, but if approval was refused on advice, he is quite correct in saying that the government advised against giving approval.

Mr. CAHAN: That was what I intended to state. The approval was refused on the advice of His Majesty's advisers who formed the government of Canada.

Mr. MACKENZIE KING: That is right.

Mr. CAHAN: A number of those who have received such foreign decorations still continue to wear them although His Majesty's approval has not been obtained, and since His Majesty's approval was refused to a number, certain foreign governments have granted decorations and distinctions to British subjects domiciled and resident in Canada without even asking for His Majesty's approval.

Mr. ADSHEAD: When the hon member says "British subjects domiciled in Canada," does he mean Canadians or British subjects who have come from other parts of the empire and are living here?

Mr. CAHAN: Canadians are British subjects domiciled in Canada. I am using the terms of the address. Although His Majesty has declined to approve the acceptance of those foreign distinctions and decorations by Canadians, they are still worn on public occasions by those Canadians who have received them, and, moreover, certain foreign governments have not respected the request, I may say, of His Majesty that foreign decorations and distinctions should not be conferred upon His Majesty's subjects in Canada until proper representations have been made to His Majesty through his Secretary of State.

One point is this: the address which was passed by this house is very wide in its scope. For instance, if I had time I would refer to the St. John Ambulance Association, which performs most notable services in some of the cities of Canada. This association has been in the habit, in case of the saving of life, or of sacrifices made by distinguished surgeons and physicians, or of the services of nurses attached to it, of recommending from time to time the granting of certain decorations and medals. Those who are now domiciled in Canada can no longer receive such distinctions or decorations from His Majesty the King. I think the whole matter of the address should be reconsidered because of its scope. If that address is adhered to, should not His Majesty's views in respect of foreign decorations be fully respected? For myself I am of the view, having regard to His Majesty's position in the government of this Dominion as well as of the empire, that this House of Commons should not restrict and in fact prohibit His Majesty, in the exercise of his prerogative, from conferring distinctions and decorations upon his subjects in Canada who have given distinguished services to the state or to society.

Mr. MACKENZIE KING: Will my hon. friend allow me just a word? I say this for his convenience. He mentioned just a moment ago that if he had time he might make a certain reference. I should like to mention to him that it is my intention at six o'clock to move the adjournment of the house. I hope he will feel that he can continue to-morrow if he has not concluded at that time.

Mr. CAHAN: Shall I be in order?

Mr. MACKENZIE KING: Yes, the hon. member may go on to-morrow.

Mr. CAHAN: I was under a misapprehension.

Mr. MACKENZIE KING: I thought so, and I desired to clear it up.

Mr. CAHAN: Why should His Majesty be prohibited by this house from conferring decorations or distinctions, or even medals, upon those who have given of their best in the saving of life; upon nurses who, in case of plague, have run all possible risks without fear, simply in the performance of their social duty to their fellow men and women? If you go beyond that, why in this country, when men have rendered notable services to the state, should His Majesty be denied the exercise of his prerogative—and this is the sole country in the empire in which he is denied that right—to confer titular distinctions or decorations upon persons who have rendered such distinguished services?

In the United States I find that they have a number of distinctions which they confer

upon notable citizens. I know of no other civilized country in the world in which such distinctions and decorations are not conferred for notable public services. Why then should we in Canada at the present time deny the prerogative of His Majesty the King to confer such distinctions for such services? I am not dealing now with the peerage or with those titles or distinctions that are passed down from father to son by inheritance, but in my humble judgment we should permit of certain classes of distinctions being conferred upon Canadian citizens. Under the present constitutional usage, I presume these will be conferred upon the advice of His Majesty's advisers in Canada, and the government of the day will be responsible to the Canadian houses of parliament and to the people of Canada in respect of the conferring of such distinctions.

There is something in human nature that is urged to the utmost endeavour and to the extreme of self-sacrifice by incentives such as these. I will give you an instance, a matter of personal interest to me. I believe my name was submitted once for a distinction which I felt that I could not accept—perhaps that is the way I should put it. But when my own alma mater, Dalhousie university, without any knowledge on my part, conferred upon me, and at the same time upon the present leader of the opposition (Mr. Bennett) the degree of Doctor of Laws from that university, it gave me a feeling of satisfaction and I might almost say a feeling of pride such as I have never experienced under any other circumstance in my life. This was an honour conferred upon me by my own alma mater, and I really felt unworthy of it, but it has ever since been to me an incentive to devote myself with more zeal, if that be possible, to the well-being and advancement of my alma mater, than I had ever done before.

And so it is in public life. Take, for instance, the chief justices of our courts, men of great ability and distinction. The former usage was a happy one—that when a judge was appointed chief justice of the court he was given a titular distinction almost as a matter of course, because the services which he had rendered to the bar and the eminence which he had attained in his profession recommended him for a distinction of that kind; so I think a great deal is to be said in favour of recognition by the state in some way of the services of those who have made great sacrifices for the state, and if we are to depart from what I regard as the good, wholesome usage of allowing our king to exercise his prerogative in that respect, I think we should consider whether we should not provide in Canada some distinguished service order which might be conferred upon the recommendation of the government of the country.

It is merely to suggest that this matter should receive the fair and unprejudiced consideration of this house that I have moved, as a private member solely, that a committee of eleven be appointed to consider the question. I am not wedded to any particular number, but eleven members would I think allow full representation of all the views of the various sections of the house on the committee, where I think this question should be studied, and studied earnestly. I think that this house to-day is in a better position to deal with the question, without prejudice and without rancour, and in a better position to deal with the whole question de novo, than the house was at the time this address was passed under somewhat strained and perturbed conditions. I therefore move, Mr. Speaker, the appointment of this committee.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I am entirely opposed to the idea of appointing a committee to consider the question of granting titles to citizens of the Dominion of Canada. I think that anything that tends to create caste in this country is a mistake. So far as I have been able to observe, titles go to the wrong people—there are some notable exceptions, it is true. They go to people who have been able to make a lot of money by special legislation, and at the expense of some other hard working people in this country. If we are to grant titles, let us grant them to the farmers and the labouring people in this country who make less than $1,000 a year, even in this year of glowing prosperity, and there are a good many of them. I was very glad when titles were abolished, and I have always been rather glad for one thing: It made it less easy then for those outside of Canada to spot the people who did the damage. Although we know them ourselves, we are not anxious to advertise them to the world. Take the notable instance of Lord Beaverbrook, a famous Canadian, who became rich by making cement so dear that they have to use board sidewalks in western Canada, and so he was given a title. During the war the finest men, if they did win a distinction, did not want it ever mentioned; you could not induce them to tell why they got it. They felt it was simply a matter of guessing, and the guess fell on them. We all realize what a lot of nonsense and unfairness was connected with

it. I think the very best Canadians are the ones who are least known. Because a man is well known and learned and is a judge, it does not necessarily follow that he has served his country well. I would not go so far as to say that all the judges are the good servants of the country, but I would say that they have been good servants of one of the great political parties in Canada, and they have been sufficiently honoured without a title.

I do not want to take up further time. I am entirely and wholly opposed to bringing back titles in Canada. We have enough pomp and splendour and nonsense now without adding to it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Whatever views one may entertain with respect to titles, I think that the form in which the hon. member for St. Lawrence-St. George (Mr. Cahan) has presented his motion is one which ought to commend itself to the house. The hon. member has asked for a committee to reconsider a resolution which was adopted by the house some time ago. He has pointed out that notwithstanding that the resolution precludes His Majesty from conferring titular distinctions and honours upon his own subjects domiciled in Canada, nevertheless the heads of foreign countries are in a position to confer such honours, and apparently have been conferring them, and that these honours are being worn by British subjects domiciled in this country. That of itself is a matter which is deserving of investigation, and it might be well worth while to have a committee of the house look into that phase as well as others. If we are to have no titles, titular distinctions or honours in Canada, let us hold to the principle and have none, let us abolish them altogether; but if the sovereigns or heads of other countries are to be permitted to bestow honours on Canadians, for my part I think we owe it to our own sovereign to give him that prerogative before all others.

Mr. BENNETT: But by the same resolution our citizens are forbidden to wear foreign decorations.

Mr. CAHAN: Not by the address.

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: The committee might go into all these matters. What I wish to point out at the moment is that there are anomalies in the present situation which have arisen out of the resolution, and without expressing my own view, I at the moment should like to have the matter looked into by a committee of the house. So far as the government is concerned, we are quite prepared to have the resolution adopted.

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

Some hon. MEMBERS: No.

Mr. BENNETT: I gathered, Mr. Speaker, that the right hon. Prime Minister was going to move the adjournment of the house. As it is six o'clock I move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Mackenzie King the house adjourned at six p.m.

Wednesday, February 13, 1929

The house met at three o'clock.

RAILWAY ACT AMENDMENT

Mr. S. W. JACOBS (Cartier) moved for leave to introduce Bill No. 12, to amend the Railway Act.

He said: Mr. Speaker, the proposed amendment is contained in the single clause of the bill, which provides that a return ticket issued by any railway company between any two points in Canada shall be accepted by any other railway company whose lines run between the same terminals.

Motion agreed to and bill read the first time.

MINISTERS OF THE CROWN

BILL TO OBVIATE THE NECESSITY OF REELECTION UPON ACCEPTANCE OF OFFICE

Mr. S. W. JACOBS (Cartier) moved for leave to introduce Bill No. 13, to remove the necessity of the reelection of members of the House of Commons on acceptance of office.

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

Mr. JACOBS: Mr. Speaker, this bill was before the house last year but failed to get past its second reading, and I now introduce it again. The explanatory note will place before the house the object of the bill. The British parliament passed an act for the same purpose, which is found in the imperial statutes, 16 and 17 George V, chapter 19, assented to on July 15, 1926. This principle was adopted in New South Wales in 1906 and always has been in force in South Australia and New Zealand. It is now in force in

Tasmania and Queensland, and appears to be progressive legislation which I think should be introduced in this country.

Motion agreed to and bill read the first time.

NAVIGABLE WATERS PROTECTION ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 14, to amend the Navigable Waters Protection Act.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Explain.

Mr. CHURCH: This amendment to the Navigable Waters Protection Act requires the approval by parliament of the plans of power companies which intend to operate in international streams. There is a provision that harbour works are not affected, but power works will require the consent of parliament where they are in international navigable boundary waters between the United States and Canada.

Motion agreed to and bill read the first time.

ELECTRICITY AND FLUID EXPORTATION ACT AMENDMENT

Mr. H. A. STEWART (Leeds) moved for leave to introduce Bill No. 15, to amend the Electricity and Fluid Exportation Act.

Hon. J. A. ROBB (Minister of Finance): Explain.

Mr. STEWART (Leeds): The object of this bill is to amend the existing law relating to the exportation of electric power. A similar bill was introduced last year but did not pass the final stage. The object of the bill is to provide that for the export of hydro-electric power we must have the approval of parliament instead of the approval of the governor in council. There are certain reservations in the bill providing for existing licenses and emergency cases.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HAMILTON POST OFFICE

Mr. RENNIE:

1. Has any property been purchased for an extension or addition to the Hamilton post office?
2. If so, when, what amount and at what price?
3. Is the said property under rental at the present time?
4. If so, how long has it been rented, at what rental, to whom, and for what purpose?
5. What rental is paid by the Post Office Department in the city of Hamilton for other buildings, and what is the total rentals paid for such buildings since the acquiring of the above mentioned property?

Mr. RINFRET:

1 and 2. In 1914 the property at the corner of John and Main streets, 136 feet 10 inches on John street and 69 feet on Main street, was purchased for $142,503.58 for the purpose of constructing an addition to the public building.

3. Yes.

4. (a) Since July 1921; (b) From July, 1921, to October, 1921, at $50 a month. From November, 1921, to April 30, 1922, at $25 a month. From May 1, 1922, to present time at $50 a month all year round. (c) C. Caughell and R. J. Hanna; (d) for washing, parking and repairing cars.

5. Rents paid by Department of Public Works: (a) Postal station B, corner Kinrade Ave. and Barton St., from November, 1913, to May 1, 1921, at $1,200 a year when postal station was removed to building erected by Department of Public Works; (b) Postal station C, ground floor of Sanford building, from October 1, 1923, to March 31, 1928, at $2,446.40 a year, when postal station was moved to Duffield building; (c) Duffield building, corner Jackson and John streets, for Post office, National Revenue, Pensions and National Health departments for five years from April 1, 1928, at $20,000 a year; (d) Space, Grand Trunk railway station for storage of mail for five years from March 20, 1925, at $150 a year.

HAMILTON CUSTOMS OFFICE

Mr. RENNIE:

1. Has any property been purchased for an extension or addition to the Hamilton customs office?
2. If so, when, what amount and at what price?
3. Is the said property under rental at the present time?
4. If so, how long has it been rented, at what rental, to whom, and for what purpose?
5. What rental is paid by the Customs department in the city of Hamilton for other buildings, and what is the total rentals paid for such buildings since the acquiring of the above-mentioned property?

Mr. RINFRET: The answer to this question is contained in the answer given to the last question; the Hamilton customs office is in the same building as the Hamilton post office, and the rents are all included together.

ST. LAWRENCE WATERWAY

Mr. HEAPS:

Will the government, before issuing permit or license for the canalization or water-power development on the St. Lawrence river, submit same for the consideration of the house?

Mr. MACKENZIE KING: The Navigable Waters Protection Act provides that no works may be constructed in navigable waters unless the site has been approved by the governor in council nor unless such work is constructed in accordance with plans and regulations approved or made by the governor in council. In the case of any application for the construction of works in the St. Lawrence river, coming within the scope of the act in question, it is the intention of the government to follow the procedure in force hitherto, as prescribed in that act.

VOCATIONAL AND TECHNICAL EDUCATION

Mr. STEVENS:

1. Has the government received requests for the renewal of the $10,000,000 grant made in 1919 in aid of vocational and technical education, which grant expires on the 31st March next?

2. Has the government given consideration to this matter? If so, what is the decision of the government?

Mr. MACKENZIE KING:

1. Yes.

2. Yes. Notice has been given of legislation to be brought down during the present session providing for the amendment of the Technical Education Act. This legislation will set out the intention of the government.

UNOPPOSED MOTIONS FOR PAPERS

NATURAL RESOURCES—WESTERN PROVINCES

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, agreements, orders in council and all other documents during the years 1925 to 1929 between the government of Canada or any member thereof or any officer thereof and the governments of Manitoba, Saskatchewan, Alberta and British Columbia, or any officer or member thereof, regarding the return of the natural resources of these provinces or any re-adjustment thereof.

He said: In view of what the Prime Minister said yesterday, I would ask that this motion be dropped.

Motion withdrawn.

BEAUHARNOIS POWER PROJECT

Mr. CHURCH:

For a copy of all correspondence, letters telegrams, agreements, notices, orders in council and all other documents between the government of Canada or any member thereof or the Minister of Public Works and any other person or persons relating to the passing or approval of plans of any company or companies under the Navigable Waters Protection Act or as to the legislation of the Great Lakes and Atlantic Canal and Power Co. or any director or official thereof or any other similar company seeking similar powers for the development or generation of water-power from the St. Lawrence river between Cornwall, Hungry Bay and the head of navigation at Montreal or with the governments of Quebec, or Ontario, or any member thereof in relation to the said question commonly known as the Beauharnois power and canal proposition.

Motion agreed to.

ENILDA-GROUARD MAIL CONTRACT

Mr. KENNEDY:

For a copy of all correspondence, telegrams and other documents, exchanged between any person or persons and the Post Office department or any other department of the government and any person or persons and the Postmaster General or any other member of the government, and also a copy of all correspondence exchanged between the different departments of the government, relating to the mail contract between Enilda and Grouard, for the years 1927, 1928 and 1929.

Motion agreed to.

FAIRVIEW POST OFFICE

Mr. KENNEDY:

For a copy of all correspondence, telegrams and other documents, exchanged between any person or persons and the Post Office department, or any other department of the government, or between any person or persons and the Postmaster General or any other member of the government, and also a copy of all correspondence exchanged between the different departments of the government, relating to: (1) The opening of the post office at Fairview; (2) The proposed transfer of the postmaster from Waterhole to Fairview; and (3) The appointment of the postmaster at Fairview.

Motion agreed to.

CANADA GRAIN ACT

Mr. CAMPBELL:

For a copy of all correspondence, letters, orders in council and other documents between the Department of Trade and Commerce, the Board of Grain Commissioners, and any other government departments, the various wheat pools, and any other parties, in connection with the operation of section 150 of the Canada Grain Act, from January 1, 1927, to date.

Motion agreed to.

Mr. GARLAND (Bow River):

For a copy of all orders in council in respect of the Canada Grain Act passed during the years 1926, 1927, 1928, and 1929.

Motion agreed to.

THANKSGIVING DAY

PROPOSED OBSERVANCE ON ARMISTICE DAY

Mr. F. W. GERSHAW (Medicine Hat) moved:

That, in the opinion of this house, the day to be observed hereafter for national Thanksgiving day shall be Armistice day, November 11th.

He said: This resolution is brought forward as a tribute and to do honour to those who served in the great war. This proposal did not come from the returned soldiers, but since it appeared on the order paper many branches of the Canadian Legion have expressed approval of it, and many resolutions have been passed by that body expressing such approval.

We have about eight or nine public holidays in Canada. We have set aside a day in memory of that great sovereign Queen Victoria, known as Victoria day. We have another day set aside to commemorate a great event in the history of our national life, Dominion day. This resolution asks that the day set aside as Armistice day shall have special importance. We hope that the day shall be called Armistice day, so that the significance of the armistice shall not be forgotten. We hope that the memory of that great event with all that it brought to those then living in the way of joy and sorrow, relief from tension and hope for the future, will never grow dim. I feel sure that this day will not be observed in such a way as would glorify war.

The armistice was signed at the eleventh hour of the eleventh day of the eleventh month of 1918, and at that time the horror and sadness of war was uppermost in the minds of all. It was felt that a war had been fought which would stop all future wars. If that sentiment and that feeling can be projected into the ceremonies which take place in the future, much can be done to perpetuate the will and desire for peace in the hearts of the people.

Perhaps we have enough holidays at present, because the schools have found it difficult to keep open for two hundred days during the calendar year, and the request is made that Thanksgiving day shall be merged with and observed on Armistice day, November 11. Thanksgiving day is a proclaimed holiday; it does not refer to any great event in history. I understand they have no Thanksgiving day in England. In the United States, Thanksgiving day has been observed since the time of the Pilgrim fathers. It is a day of festivity. When the crops are gathered it is celebrated by the getting together of the people and their taking part in a few sports and other diversions. During the first winter the Pilgrim fathers were in America, many of their number died, but when the spring and summer came there seemed to be some hope for them and the first Thanksgiving day was celebrated about that time. During the revolution eight special days were set apart for thanksgiving in order to celebrate special victories or special deliverances from danger. Since the days of President Lincoln Thanksgiving day has been the last Thursday of November. It is a family day, a day of returning home for religious services, and none of us would like to see those splendid things come to an end; but it is close to Christmas, which we observe in much the same way, and the day that is known as Armistice day can still be a day for family reunion.

In fact, in Canada Thanksgiving day has not always been celebrated in the fall of the year and has not always been celebrated because a generous harvest has been reaped. The first Thanksgiving day celebrated in Canada was on the 10th of January, 1799, because of the signal victory over our enemies and the manifold blessings which our kingdom had enjoyed. The next was held on August 12, 1802; the next on April 21, 1814, for the glorious victory over our enemies; the next on September 13, 1814, on account of the ending of the war in Europe, giving the dominions the blessings of peace. The next Thanksgiving day was in 1815, on account of the end of the war with the United States of America and the blessing and restoration of peace. The next was in 1816, because of the end of the war between Great Britain and France; the next in 1833, because of the cessation of the cholera plague; the next in 1834, on account of the quarantine of ships at Grosse Isle; the next in 1838, because of the termination of rebellion; the next in 1850, for the cessation of grievous disease; the next in 1856, for the restoration of peace with Russia; the next in 1859, for the abundant harvest and the continuance of peace, and the next in 1863, for the abundant harvest.

Since confederation, Thanksgiving day was observed on the 15th of April, 1872, for the restoration to health of His Royal Highness the Prince of Wales, and again on the 6th of November, 1879, for the blessing of a harvest. Since that time there has been an annual Thanksgiving day. No one wishes to do away with Thanksgiving day but we are most anxious that Armistice day shall be suitably celebrated in the years that are to come. I hope the house will pass this resolution and that its object will be attained. War is a

disaster; the greater the war, the greater the disaster, but if the lessons of war are to be learned from past experience, surely much will be gained by keeping these experiences before us and celebrating Armistice day in honour of those who deserve the honour.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I have much pleasure in seconding and supporting this resolution. In order that the house may be fully informed of the situation, I may explain that in 1921 the Union government passed an act which is now chapter 9 of the revised statutes of 1927, the second section of which provides that:

> The Monday in the week in which the eleventh day of November shall occur . . . . shall be a legal holiday and shall be kept and observed as such under the name of Armistice day.

The next section goes on to state that the holiday commonly called Thanksgiving day shall be proclaimed and observed on the same day. It is on that that this resolution rests. Experience has shown and the feeling of the returned men as expressed by their bodies is that Armistice day is very liable to be and is in process of being merged and forgotten in Thanksgiving day. One cannot very well conceive the permanency of a celebration which may be moved anywhere within a week. Can you picture Christmas day, if it fell on a Saturday, being observed, for instance, on the previous Monday? Yet that is the situation in this case. Armistice day, according to the law passed in 1921, is to be observed on the Monday of the week in which it falls. The object of this resolution is to reverse this situation and have Armistice day held on the eleventh day of November and Thanksgiving day on the same day if necessary.

I have under my hand a resolution passed by the Dominion convention of the Canadian Legion of the British Empire Service League. It is only a few words, and I will read it:

> Resolved that whereas November 11th is a day sacred to all ex-service men—

I would like to emphasize the point that in the opinion of returned men and indeed in that of all of us it should be a day sacred to all ex-service men.

> —and the date set apart by the federal government for observance is a day other than this date;
>
> Be it resolved that this convention requests the federal government to amend the present act so that in unison with other parts of the English-speaking world Canadian citizens may be enabled to commemorate the actual day upon which the armistice was signed as a national memorial day, and substitute it for Thanksgiving day.

[Mr. Gershaw.]

I have a number of other resolutions from various branches of the legion, mostly in the district which I represent, and I will briefly quote from one or two. One of them reads:

> We feel that this day should be set apart from any other holiday as Armistice day cannot come on any other date any more than Dominion day can be called Christmas.

This is another one:

> Whereas Armistice day heretofore has been made subservient to Thanksgiving day—

That is the point they have taken, that Armistice day has been and is made subservient to Thanksgiving day.

> —this branch hereby resolves, and do pray that Thanksgiving and Armistice day be annually celebrated on November 11th of each year.

Another one, after expressing the sentiments I have already read, goes further and says amongst other things:

> Further, that the matter of the considering the advisability of arranging for Thanksgiving day to always be observed on Armistice day, be left to those in authority for due consideration.

In other words, they do not absolutely demand or ask that Thanksgiving day be held on the same day, but they do ask that Armistice day be held on the 11th of November. I have several more telegrams along the same lines, but I will not read them.

Two objections have been raised against this change, and I will deal briefly with them before I sit down. One is that it would cause two holidays in one week, and that is calculated to be embarrassing to business people and to business interests. It is not necessary to have two holidays in the one week. It is quite possible, as I have suggested and as the resolution suggests, to have Thanksgiving on November 11. This would would do away with that objection. Besides, if necessary, Thanksgiving day could be held in October. It has been held in October before now and we are not particularly committed to holding it in November. Labour day comes in September; Thanksgiving day might well come in October and Armistice day on November 11, but that is a matter for the government to decide. That does away with the objection that we cannot afford to have two holidays in one week.

The other objection, which is one that is given great weight in some quarters, is that it is inconvenient for travelling men and those whose business takes them away from home to have the holiday on any other day than Monday. It also interferes perhaps with those living in a town who wish to visit their relatives or friends in the country for what is called a long week-end; unless Armistice day

comes on a Monday that is prevented. It is undeniable that it would be more convenient for travellers to have the holiday on Monday, but I would point this out: Thanksgiving day, Labour day, Victoria day, and these other days are intended to be public holidays, and to be for the convenience of those away from home and for those who wish to visit their friends, but Armistice day was not intended at all for that purpose. It was never designed or set apart as a public holiday for the convenience of those who wished to visit their homes or their friends. It was intended and designated—it was consecrated, I might say—to the memory of the men who died at the front and those who had the good fortune to come back, men equally gallant, equally brave, equally ready to take the risks of war, in order that the rest of the population, and especially the rising generation, who were mere children while the war was on, should be reminded of, and should be instructed in, so to speak, the reverence and the respect and the obligation we owe to these men who risked their all at that time. As the resolution of the Dominion Convention of the British Empire Service League says, it is a day sacred to ex-service men; it has nothing whatever to do with a week-end holiday, and therefore I submit that Armistice day should be observed as such. I would point out that in every other English-speaking country with which I am familiar, they observe Armistice day on November the 11th, and not on the previous Monday or on any other day.

Again the argument is used: After all, that is a mere matter of sentiment that should not be allowed to interfere with the convenience and material interests of the everyday workaday world. Well, a great poet once said that it was sentiment that ruled the world, and that is quite true. What would this world be without sentiment? Why do we spend large sums, both as nations and as individuals, for the relief of the sick and the poor and the destitute? Is it not from sentiment, from a spirit of charity and sympathy and goodwill? What about the war memorials scattered throughout this country, which must in the aggregate cost an enormous sum? They were erected purely from sentiment, and from a worthy and proper sentiment. I do not think the argument is a good one that this is a matter of sentiment and should therefore be ignored. Think of the tombstones that dot this land. They are erected from a spirit of sentiment, and sentiment only.

I do not anticipate that there will be any serious opposition to this resolution passing the house. This house may be divided for this purpose into two classes, those who went to the war and those who did not. I am sure that those who were at the war will appreciate the spirit of their comrades in asking for this change. It is even more incumbent upon those of us who did not go to the war to see that the wishes of the men who were at the front are respected in this matter, and that they are granted this comparatively trivial change, which in the end will hurt no one, but will be paying to these men the respect and reverence to which they are entitled.

Mr. T. L. CHURCH (Toronto Northwest): The action that was taken by parliament in setting aside a day for general thanksgiving was not taken without national reasons, and national reasons in a matter of this kind should be paramount. The religious bodies, trades organizations, military bodies and many other social organizations represented that the best day for thanksgiving was Monday, which would best meet the convenience of commercial travellers, and those attending the public and separate schools and collegiate institutes. It also meets the convenience of a very large number of employees in the urban and industrial centres whose only chance to get back to their homes in the country, owing to the existing railway rates, is for the week-end during which Thanksgiving day comes. In Ontario especially there is a very large urban population whose homes are in the rural parts of the province, and owing to the action of the railways in doing away with the pre-war cheap excursion tickets that existed before the war, these young people are able to get home only once or twice a year, at Thanksgiving and at Christmas. All along the shores of the St. Lawrence, lake Ontario and lake Erie, and in many cities and towns across the border, there are tens of thousands of Canadians working away from their homes in the United States. In Detroit, for instance, which to-day is the third largest city in the United States, there are over 250,000 Canadians. These young people once in a while come back to their homes in this country for a week-end at Thanksgiving, and many of them have to stay in the United States, where they have been driven to get a job by the fiscal policy of this government, and they have to celebrate the American Thanksgiving day. From what I have seen of this agitation, I know it is the opinion that Monday is the best day from the standpoint of the religious bodies and from the standpoint of the military man. The military men can get off for the week-end, but they cannot get off on the eleventh, if it comes on a Wednesday, for instance, be-

cause their employers will not let them go. A big store like Eatons, for instance, employs almost 20,000 people, many of whom come from Ontario and some from the west, and they try to get home for the week-end on Thanksgiving day when it is on a Monday. I would urge that no change be made in a matter of this kind until proper representations have been made, first, from the provinces, second, from the municipalities and third, from the military organizations and religious and social bodies in this country. The present arrangement has been found to work very satisfactorily, and I have heard no complaint against it.

Hon. FERNAND RINFRET (Secretary of State): I desire to say only a few words on this motion, which has been so ably presented by the hon. member for Medicine Hat (Mr. Gershaw), and commented upon quite fully by the hon. member for Comox-Alberni (Mr. Neill). As Secretary of State, I have myself been the recipient of a large number of letters and resolutions covering practically the same ground.

There is no doubt that there is a fairly widespread desire in this Dominion that we celebrate Armistice day on the very day of its anniversary, that is on November 11th. In fact, there exists some confusion in the minds of a great number of people as to these two holidays, Armistice day and Thanksgiving day. Some people are under the impression that we celebrate Armistice day on Thanksgiving day, but that is a wrong impression. Just the reverse is the case. The hon. member for Comox-Alberni has alluded to the statute. As it is very short I might clear the situation up by reading a few clauses which I have before me.

The act respecting Armistice day was passed in 1921 and is now chapter 9 of the revised statutes of 1927. Clause 2 deals with Armistice day, and clause 3 with Thanksgiving day. Clause 2 reads:

> Throughout Canada in each and every year the Monday in the week in which the eleventh day of November shall occur, being the day in the year one thousand nine hundred and eighteen on which the Great War was triumphantly concluded by an armistice, shall be a legal holiday and shall be kept and observed as such under the name of Armistice day.

Clause 3 reads as follows:

> The holiday commonly called Thanksgiving day, being a day usually appointed in the month of October or November by proclamation as a day of general thanksgiving to Almighty God, shall whenever appointed be proclaimed and observed for and on Armistice day.

[Mr. Church.]

So it will be seen that we are commemorating Armistice day on the Monday of the week in which the 11th of November falls, and we are directed by this act to proclaim Thanksgiving day on the same day. So that practically the only change suggested in this resolution is that these two holidays, instead of being celebrated on the Monday of the week in which the 11th of November falls, shall be celebrated on November the 11th, whether that be a Saturday, a Sunday or a Monday. Apparently the only practical objection to the adoption of this resolution is the desire to have the holiday follow a Sunday in order to extend the time available for travel. This argument does not appeal very much to me. I think the sentimental reason for observing Armistice day on November 11 is of such a lofty character as entirely to outweigh any considerations of personal convenience. Speaking for myself, I may say that if the resolution should be pressed to a division I shall vote for it. But this does not appear to be a matter for government policy, and the government will be directed by the desire of the people as expressed by their representatives in this house. In the event of the motion being adopted I shall endeavour immediately to bring down an amendment to the act to give effect to the wishes of the house.

Mr. G. R. GEARY (South Toronto): I quite see, Mr. Speaker, that the present legislation leaves something to be desired, because it does by inference, if not directly, provide that the celebration of the original armistice be made subservient to the celebration of thanksgiving. However that may be, legislation or no legislation, the people of this country are still too regardful of what Armistice day means to celebrate it on any other day than November 11. Ever since 1918 they have continued to celebrate it in the most solemn and fitting way on November 11; they so celebrated it last year and they will do so again this year and in the years to come. I should be very sorry, Mr. Speaker, to see Armistice day degenerated into a public holiday in which the celebration of the armistice would play only a small part. I do not care what you do with Thanksgiving day, but I do not believe there is any desire among our people that we should make a general play day or holiday of Armistice day. Have Thanksgiving on any day you like but on November 11. Let us continue to commemorate the conclusion of the war by the most impressive ceremony of a two-minute silence on the morning of the day in proud

and loving memory of our glorious dead, and of their deeds, in a spirit of thankfulness that their lives were not given in vain.

Above all things, Mr. Speaker, I hope the members of this house will consider very seriously that the adoption of the proposed amendment would make the celebration of Armistice day subservient to what is one of the great days of football, travel and visits of a more or less convivial nature. Let us be very careful not to do anything to detract from the solemnity and sweetness of Armistice day as we have it now.

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, I find myself in complete agreement with the hon. member for South Toronto (Mr. Geary). I think that November 11 should be commemorated for the things that are sacred to that day, and that its objects should not be combined with those that are generally associated with Thanksgiving day. If we are to have a day of general thanksgiving for material prosperity, I suggest that that day be fixed for, say, the middle of October. Let us preserve Armistice day for its own special purposes. It is sacred to our returned soldiers, and it is sacred to the memory of those who gave their lives for Canada.

Motion negatived.

FAMILY ALLOWANCES

Mr. J. E. LETELLIER DE ST. JUST (Compton) moved:

That, in the opinion of this house, the question of granting family allowances should be studied, taking into consideration the respective jurisdiction of both federal and provincial parliaments in the matter, and that the said question should be referred to the committee on industrial and international relations, with instructions to inquire into and make report.

He said: Mr. Speaker, it is a great pleasure to have this opportunity of bringing before the house a question of such vital importance. I regret that I have not a sufficient command of the English language to do full justice to the subject, but hon. members will understand that I am doing my best to convey to them the purpose of this resolution.

I desire to quote the opinion of experts. Professor Paul H. Douglas—

Mr. WOODSWORTH: Can we have a little more order, Mr. Speaker? We cannot possibly hear in this corner.

Mr. SPEAKER: I was about to observe that too many conversations are being carried on in the chamber. I would ask hon. members to refrain from conversation.

Mr. COOTE: We cannot even hear the Speaker.

Mr. LETELLIER: Professor Paul H. Douglas, of the University of Chicago, who is an authority on industrial relations, has this to say:

The most effective way in which society can protect children is in providing their parents with sufficient income so that they can be brought up properly. It is folly to expect wage-earners with unduly low incomes to feed, clothe and rear their children in any adequate fashion. Even the necessary knowledge of child hygiene is a costly affair which is beyond the reach of the mothers of the poor. Give a family of average intelligence sufficient money and it will not only be able to take care of its children but it will gradually learn to do so.

It is the most cruel form of unconscious hypocrisy for business men to pay insufficient wages to those of their employees who are fathers of families and then by contributing to child welfare agencies to feel that they have discharged their duty. The child-caring agencies, for all their efforts, cannot remove more than a small fraction of the injury which the children suffer from the poverty in their homes. Employers and social workers alike need to beware of thinking that social work, for all its valuable contributions, is an adequate substitute for a decent wage. The most pressing obligation is for industry to put its system of wage payment upon an adequate basis and, until this is done, social reform will swim against the tide.

How, then, may an adequate wage be secured? Here a curious obliquity in the claims of the advocates of the living wage doctrine should be noted. They have urged that all the workers should be guaranteed enough to support a family of five. forgetful of the fact that this would be far more than was needed by those with fewer dependents and less than was needed by those with more. The twenty-seven per cent of our adult males who are bachelors patently do not need enough to support such a family nor do those married men who either have no children, or but one or two. How dominant numerically such families are, has been shown by the 1921 British census which showed that forty-two per cent of the married or widowed men in fourteen countries either had no children under sixteen years of age or made no statement, while twenty-three per cent had but one child and sixteen per cent had only two. Only nine per cent of this group actually had three such children to support, while slightly over ten per cent had four or more children. These results are in general corroborated by such American investigations into the composition of our families as those incidentally made by the United States Bureau of Labour in 1901, and by Professor H. A. Millis for the Illinois Health Insurance Commission.

To pay to all male workers a wage sufficient to support a family of five would then only meet the actual needs of at the most not more than a tenth of the men; it would be insufficient for another tenth and more than was needed by at least four-fifths. Many adults, particularly bachelors and childless couples, would be supported in more than a handsome style while a large percentage of the children would still lack the essential things of life. For while probably only ten per cent of the

men have more than three dependent children, yet, since these are the large families, probably somewhere between thirty-five and forty per cent of the children are members of these families. The family-of-five advocates seem to believe that by grossly overpaying many workers they will atone for greatly underpaying others.

I wish now to quote from the Labour Gazette of November, 1928, volume 28. I desire to quote this because it is so important:

The cost per week of a list of twenty-nine staple foods for an average family of five in terms of the average retail prices in some sixty cities was $11.28 at the beginning of October, as compared with $11.15 for September; $10.99 for October, 1927; $10.93 for October, 1926; $10.89 for October, 1925; $10.31 for October, 1924; $10.65 for October, 1923; $10.23 for October, 1922; $11.48 for October, 1921; $15.83 for October, 1920; $16.92 for June, 1920 (the peak); $13.54 for October, 1918; and $7.99 for October, 1914. The most important advances were seasonal increases in the prices of eggs, milk and butter, while less important advances occurred in the prices of veal, mutton, salt pork, bacon, lard and beans. Potatoes were substantially lower, while the prices of sirloin steak, evaporated apples and yellow sugar showed slight declines. Including the cost of fuel and rent with that of foods, the total budget averaged $21.52 at the beginning of October, as compared with $21.28 for September; $21.18 for October, 1927; $21.14 for October, 1926; $21.11 for October, 1925; $20.67 for October, 1924; $21.16 for October, 1923; $20.87 for October, 1922; $21.01 for October, 1921; $26.46 for October, 1920; $26.92 for July, 1920 (the peak); $21.48 for October, 1918; and $14.48 for October, 1914. Fuel was practically unchanged, while rent was slightly higher.

I do not care to take up too much of the time of the house, because I know that many important questions have to be dealt with; but you will permit me, Mr. Speaker, to discuss the subject in some detail from the standpoint of the historic city of Quebec.

Children have always been justly considered as the greatest blessing of the marriage state, and the best asset of a nation. One has but to turn to the pages of the Bible to ascertain that the birth of a child is ever represented as a legacy bequeathed by God to those who serve Him; and modern economists agree, with Adam Smith, that a high birth-rate is the most convincing sign of the prosperity of a country. How then does it happen that in our modern society the large family has become a social and economic problem demanding prompt solution? To give a satisfactory answer to this question, we must first realize that if a child represents an asset to the country, of which it will soon become a wealth producer, the position is somewhat different for the parents. At an earlier period, when the burden of raising children was relatively light, the parents were soon compensated by the increased production which additional hands were able to assure. This is no longer the case, for present day education imposes a heavy burden which, for many years at least, brings no compensation. In other respects, too, the conditions which modern civilization imposes on fathers of families are distinctly more difficult to bear than those which formerly obtained, so that the status of the large family is precarious indeed.

Among the causes which have contributed to this unfortunate state of affairs in social economics, we would place in the first rank the unequal distribution of family burdens among adults. Formerly the large family was the general rule; marriages were contracted at an early age; young men started home-making often before the age of twenty; after twenty-one they began to be looked upon as old bachelors, and after twenty-five their cases were considered hopeless. This is the reason why most families had many children; this is why bachelors were few in number. The result was that as most of the adults were burdened with families, they lived on a modest scale; the standard of life was set by plain living, with consequent low costs, and these conditions were practically uniform for the bulk of the population.

During the last twenty-five years, and especially since the war, conditions have been turned topsy-turvy. The increase in the cost of living in the last decade has made itself particularly felt, and the spending and luxury indulged in by young people of both sexes as soon as they are earning a salary delay young men in establishing homes. Before they obtain the income necessary to support a family, ten, fifteen or perhaps more years have usually slipped by. This is why the number of bachelors and married men with small families has increased considerably. We have no available Canadian statistics on this point, but those of other countries reveal the gravity of the situation. It has been estimated that in Belgium, out of one hundred adult males, twenty-nine are unmarried; twelve are married without children; sixteen have but one child; twelve have two children; eight have three children, and twenty have four or more children. Thus 44 per cent of the male adults in Belgium have no family responsibilities; 36 per cent have but light ones, and only 20 per cent carry heavy ones. In other words, 20 per cent of the adults raise twice as many children as the other 80 per cent put together, and a similar state of affairs exists in other countries.

Economists have pointed out the unfortunate consequences that result from this unequal distribution of responsibilities. When,

in a community, all adults have equal resources of income, and when the majority of these adults have scarcely any family responsibilities, that same majority are well off and even rich; they spend more money; they increase and multiply their wants; they develop expensive tastes; soon the standard of living risese for the whole population. The large families submerged in this mass cannot lodge, feed, clothe, educate or amuse themselves as they could two centuries ago. They are in the grasp of social needs and, lacking resources, are exposed to intolerable privations.

The situation is further complicated by the lowering of infant mortality. When children were dying like flies, couples having ten or twelve children often lost half or more, and carried eventually the burden of a moderate family; at present the progress of hygiene, medicine and surgery has resulted in the saving of many children who formerly would have died. In addition to the fact that medical treatment, which formerly was dispensed with, is now a fresh source of expense for the head of the family, it often happens that the children saved from death by a more enlightened medical intervention remain weak and sickly, and for years are a source of care and expense which impose a heavy burden on the income of the father and an increase of fatigue for the mother.

In conclusion, Mr. Speaker, I ask for the support of this house in order to permit this resolution to go to the committee on industrial and international relations, where it may be studied in all its aspects. Any report made by that committee would receive the consideration of experts and would come back to this house, in order that the federal and provincial governments, the municipalities and the industrial corporations might assist in solving this problem, which I am sure all married men without children and bachelors will agree is worthy of serious attention. I am sure this Liberal administration which has passed so many splendid measures which have been so greatly appreciated by the people of Canada, will give consideration to the resolution which I have the honour to present to-day.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I am glad to second and support the resolution just introduced. In the older state of society, when the majority of individuals owned their own tools of production, it was quite possible that there should be some direct relationship between the reward for what was produced and the effort put forth, but at present, as we all know, we are living in the midst of what has been called the wages system, under which the vast majority of men simply receive a wage which does not bear any direct relationship to the amount they may produce. Under these circumstances it becomes necessary for us to see that at least the wage is adequate to the proper support of the individual and his family. Some of us would like to see the present wages system radically changed; I am not advocating that to-day, but I am saying that we have to deal with the situation as it is, and the least we can do is to insist that an adequate wage is provided. Two years ago I introduced in this house a resolution urging a minimum living wage, taking the ground that the least that could be done would be to see that the worker was paid a wage sufficient to support himself and his family in decency. That resolution went before a committee, and a report was made. One of the difficulties in all legislation of this character is that there has never yet been a satisfactory decision given regarding the jurisdiction of the Dominion and the provinces. It seems to me that we can only keep urging legislation of this kind upon the Dominion government in the hope that before long some satisfactory arrangements may be arrived at between the federal and provincial authorities.

While I advocate a minimum wage I recognize that this proposal is not altogether the scientific way of arriving at the proper solution. In discussions of what the minimum wage should be we have more or less to postulate a standard family. This is generally taken as being a man, his wife and three children, because, in order that the population be maintained, it has been found that a family of that size is necessary. As a matter of fact there is no standard family, as the mover of the resolution has pointed out. In some families there is only one child, while in other families there may be five or six, or eight or ten children. Then in other families there are no children at all. Under these circumstances it is perhaps hardly fair to ask that the workman should be paid sufficient to maintain a standard family, because in this case some workers would be paid too much and others would receive too little. I think it would be much more satisfactory to try to ascertain the size of the family and the obligations of the wage-earner, and then we would know what the minimum wage should be.

I know the contention will be put forth by a good many that parents should support their children. I quite agree with the general

principle that parents should be responsible for the support of their children, but I would also point out that there is a growing burden in bringing a family into the world. It is very difficult to-day for the majority of wage-earners to rear a family. This is one reason why we have to spend millions of dollars in trying to induce people to come to this country. I know of scores, yes, hundreds of working-class homes where the coming of a new baby is a positive disaster to the family. That kind of thing ought not to be, and it seems to me that we have to look at the facts as they are.

As I interpret the situation, we have been passing from an agricultural to an industrial state of society. In the pioneer agricultural state the family was an asset. At a very early age the child could do a little work around the farm, what we commonly call the chores. By the time the child reached the age of eight or ten years he could render great assistance in the carrying on of the work of the farm. Many a boy of twelve or fourteen years of age was able to do a man's work. The child early became an asset, and in any case his support was not a very great burden as there was generally enough produced on the farm to support the family. But when we come to an industrial state of society, where the residence of the wage-earner is in the city, we have an altogether different situation. All who live in cities know something about the costs of living under present conditions. Rents are very high, especially in such large cities as Montreal. If the wage-earner lives in the outskirts of the city he has to pay car fare, which again very materially increases his costs. Under these conditions there is absolutely nothing that the majority of children can do to help supplement the earnings of the father. There is no farm around about the residence, especially when that residence is a flat. If the child can keep from being run over, or otherwise bringing new disasters upon the family, he is doing very well. About all the parents can do is to send the children over to the playing field, if there be one. In an industrial state of society, children, instead of being an asset, have become a very decided liability.

Side by side with this tendency there has been a general development towards a higher standard of living for the child. In the pioneer days the child went to school for two or three years, and he then went to work in a practical way. In most of our provinces to-day we insist that the child shall attend public school until the age of fourteen, fifteen or sixteen years, in order that he may be better fitted for his life work. This means that the father and mother must support the child, not for six or eight years, but for twelve or fifteen years of his school or college career. A very heavy burden is thus laid upon the father and mother of families.

It is true the state has done something to meet this condition. In most of our provinces we have free public schools, and in some cases free text books. Other provinces have provided free medical assistance, and thus to a small extent the community is helping. However, a great part of the responsibility still falls upon the father and the mother. I know there are those who will say that they ought to carry the whole responsibility when they bring children into the world. That is precisely the argument which was used when it was first proposed to have public schools in Ontario. The opponents of public schools said that if people wanted to have children they should educate them, but it has been discovered that the education of children is, to a certain extent, a matter of public concern and the least the state can do is to provide some assistance in that respect. It is quite easy to find precedents for the extension of action along this line.

Further, there is the debt that industry owes to the family; industry is entirely dependent upon the family for its labour. Every industrial manager provides a certain amount in his estimates for the installation of machinery, and he also provides for the replacement of same, and for what he terms "obsolescence", that is, for the machinery becoming out of date. There is no provision of like nature made with regard to labour. There has been a steady stream of labour into this country in the past, and the employer has taken the man, fully developed and with strong muscles, has used him to the limit, and then has thrown him aside and taken on some young fellow who was anxious to get a job. This has worked, I say, because in the past we have had a steady stream of labour. It is becoming more and more difficult as the days go on, and we have had to resort to immigration in order to get a sufficient supply of labour in this country. In the older countries they are experiencing some difficulty in getting a sufficient supply of labour, and the proposal that is advanced to-day has been adopted in Europe at the instance of the manufacturers themselves. They are realizing that they must in some way do something to keep the supply of labour up to the mark. I am not advocating this at all on that basis. But even on that basis, from the standpoint of labour as a factor in industry, we should arrange that

industry recognizes in a very material way something of its responsibility to the family which provides the labour that is needed in industry.

There are some who are very much afraid that if this kind of legislation is introduced, it will tend greatly to an increase in the size of families. That is a matter upon which we might have some differences of opinion. I am strongly of opinion that if we raise the general level of well-being in the community, the question of the size of families can be left very largely to take care of itself. But we face again the facts. We have large families; we have families smaller, which yet are a burden to their parents. What are we going to do with those children? When you have a surplus supply of kittens you can take them out and drown them. No one would propose that we should do that with children. There are some who urge: Well, the easiest and best solution is to limit the size of families, personally, I think there is a great deal to be said for that. Into that I do not intend to enter to-day. The situation which faces us to-day is simply this: The families are here; our responsibilities are here, and yet the wage earners to-day are not receiving sufficient to maintain those families in decency. The very least, surely, that we as representing the state can do is to insist that those children shall have a fair chance in life.

This proposal that is being brought forward is not a new thing. It is quite true it is new in Canada, but just recently the United States Bureau of Labour Statistics made a very exhaustive survey of family allowances in various foreign countries. This, I have no doubt, will be available for the use of the committee but I would quote simply one statement near the beginning of this report:

> The number of persons employed under such systems in Belgium, France, Germany and Italy in 1924 and in the Netherlands in 1923 combined, was more than 7,500,000.

Therefore, when a system has been so thoroughly tested as this in other countries, we may very well give it consideration in Canada. It is quite true that in France and Belgium, where it has been longest in operation, it is not on the basis that personally I should like to see it in this country. It is left there very largely in the hands of groups of large industrialists. Perhaps that is the reason why in English-speaking countries there has been some hesitation in adopting the measure, but in recent years in Great Britain, also in Australia and New Zealand there has been a great deal of agitation for legislation along this line. For some time we have had it as a provincial measure in New South Wales and they have been investigating its application in the federal field as well. In England, both inside the labour movement, within the Liberal party and in the community at large a great deal of education has been carried in the last few years and the results of the inquiries are now available. Miss Eleanor F. Rathbone has done a good deal of preliminary work in that country.

There are certain objections that may occur to anyone in a first consideration of this proposal. One is this: Suppose that men with families, receive an allowance, will not all the employers immediately endeavour to secure single men and thus the condition of the married men with families be worse than it was before? That trouble is overcome in that the wage paid to married and single men is the same in any case, and the allowance that is made is made to the father or, perhaps, better to the mother on account of the contribution which she is making to the welfare of the state. The levy is made on the basis of the numbers of people employed in the industry. All in the industry have to contribute to that; but whether a man is employed in this or that particular establishment does not make any particular difference. Therefore that objection is quite easily overcome in the working out of the details of the legislation; it has been overcome in those countries in which the family allowance scheme is in operation.

There is an objection—and I may as well be frank in stating it—on the part of labour and I know some of my labour friends will question the wisdom of my advocating this matter at the present time. The objection is that there is a possibility that the regular wage may tend to be lowered to the very lowest minimum. In the past we have been endeavouring to maintain a standard wage sufficient to enable a man to support himself and his family. Will this standard be endangered? Personally I do not think that objection is well founded. I understand that in the practical working out of this scheme it has been found that wages have not been lowered; the objections of the wage earners in various European countries have gradually died down, and they have generally accepted this new arrangement as in the interests of labour.

As I said in the beginning I am not by any means advocating this as a solution of all the labour problems. Some of us believe we must have the most fundamental changes with regard to the whole economic structure

of society, but at the present time we feel that the best thing to do is to proceed along humanitarian lines in at least insisting that the wage earners should not be treated, as the treaty of Versailles says, as a mere commodity, but that rather we should understand they are human beings. If we treat them as human beings, the least we can do is to insist that their families be given a fair chance. It would seem as if we were not going very far in asking that this proposal should be investigated by the committee.

Hon. PETER HEENAN (Minister of Labour): As the resolution calls only for the submission of this question to the committee, I do not propose to discuss the question at this time further than to say that the government is quite willing that it should go to the committee.

Motion agreed to.

TITLES OF HONOUR

PROPOSED APPOINTMENT OF SPECIAL COMMITTEE

The house resumed from Tuesday, February 12, consideration of the motion of Mr. Cahan:

That a special committee of this house consisting of eleven members be appointed forthwith to investigate and report upon the advisability of qualifying, amending or rescinding the address to His Majesty the King, which was adopted by this house in May, 1919, dealing with the conferring by His Majesty of titles of honour or titular distinctions upon His Majesty's subjects domiciled or ordinarily resident in Canada; and also to consider and report upon the appropriate action, if any, which the parliament of Canada should take with respect to the acceptance, enjoyment or use by persons domiciled or ordinarily resident in Canada of titles of honour or titular distinctions or decorations conferred by any foreign government, governmental authority, potentate or power; and also to consider and report upon the advisability of instituting orders of merit, distinctions or decorations, which may be conferred by His Majesty upon persons domiciled or ordinarily resident in Canada, on the advice of the government of Canada, in recognition of distinguished public services; and that such committee have power to send for persons, papers and records, and to report from time to time to this house.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I do not propose to make any extended observations with respect to this resolution. The appointment of a committee to deal with a matter of this kind does not commend itself to my judgment. It did not do so with respect to judges' salaries, nor does it with respect to most matters of this character. It might be well, however, to direct attention to the fact that there is a real question that should be considered by a committee, and that is how far a resolution of this house that has been followed by subsequent action by the sovereign should be entirely disregarded by citizens of this country.

The Prime Minister yesterday made clear that the advice tendered to the sovereign, so far as the government was concerned, was that no approval should be given to the wearing of foreign decorations awarded or granted or conferred upon Canadians or persons usually domiciled in Canada. That is what Hansard shows, and I think I followed my right hon. friend correctly as to that.

It might be well, in the first instance, to recall that this matter came before the House of Commons in 1919, on the motion of Mr. Nickle, the member for Kingston, and when the motion came before the house, the then acting Prime Minister moved that the matter be referred to a select committee of the house, which select committee was small in number. At page 1479 of the Hansard for April 14, 1919, it will be found that Sir Thomas White's motion was as follows:

That the subject matters of the said motion and amendment together with the questions of conferring honours, titular distinctions and decorations upon the subjects of His Majesty ordinarily resident in Canada, including those who have performed overseas, in Canada or elsewhere, naval, military or civilian services in connection with the war be referred for consideration and report to a special committee consisting of the following members: Messrs. Nickle, Green, Peck, Buchanan, Clark (Red Deer), Thomson (Qu'Appelle), Cowan, Whidden, Nesbitt, Middlebro, Pardee, Richardson, Cockshutt, Murphy, McCoig, Ross, Ames, McMaster, Lemieux, Robb, Fielding, Elkin, Copp, McCurdy, Sinclair (Guysborough).

That motion carried on division, the vote being 71 to 64. That committee met, and they made a report, and the report of that committee, of which Mr. Nickle was chairman, will be found at page 2395 of Hansard of May 14, 1919. I direct attention to the recommendations of that committee because in the address that was forwarded to the sovereign, through the Secretary of State for the Colonies, a part only of the resolution was included for the obvious reason that the report of the committee as adopted provided for other methods by which portions of that report might be made effective. I think it might be well to have the report of that committee put upon Hansard, and I therefore read it to the house, although I had not intended to do so:

House of Commons of Canada,
Ottawa, May 14, 1919.

The special committee appointed to consider and report upon the propriety of presenting an

address to His Most Excellent Majesty the King, praying that His Majesty may be graciously pleased to refrain hereafter from conferring any titles upon such of his subjects as are domiciled or living in Canada, except such titles as have reference to professional or vocational appellations conferred in respect to commissions issued by His Majesty to persons in the military or naval services of Canada, or to persons engaged in the administration of justice in the Dominion; and that His Majesty may also be pleased to consider the question of taking measures to ensure the extinction at the death of the present possessors of the hereditary titles at present in existence in the Dominion; and further that His Majesty may also be pleased to take into consideration the question of in future conferring honours, titular distinctions and decorations upon subjects of His Majesty ordinarily resident in Canada, including those who have performed overseas, in Canada, or elsewhere, naval, military and civilian services in connection with the war, beg leave to present the following as their report.

Your committee are of the opinion and recommend that an address be presented to His Most Excellent Majesty the King, in the following words:—

"To the King's Most Excellent Majesty.

"Most Gracious Sovereign.

"We, Your Majesty's most dutiful and loyal subjects, the House of Commons of Canada in parliament assembled, humbly approach Your Majesty, praying that Your Majesty may be graciously pleased:—

"(a) to refrain hereafter from conferring any title of honour or titular distinction upon any of your subjects domiciled or ordinarily resident in Canada, save such appellations as are of a professional or vocational character or which appertain to an office.

"(b) to provide that appropriate action be taken by legislation or otherwise to ensure the extinction of the hereditary title of honour or titular distinction, dignity or title as a peer of the realm, on the death of a person domiciled or ordinarily resident in Canada at present in enjoyment of an hereditary title of honour or titular distinction, dignity or title as a peer of the realm, and that thereafter no such title of honour, titular distinction, dignity or title as a peer of the realm, shall be accepted, enjoyed or used by any person or be recognized.

"All of which we humbly pray Your Majesty to take into your favourable and gracious consideration."

That ended the address that was to be made to the sovereign. Then followed the balance of the report, reading as follows:

A suggestion was made that the titles of "Right Honourable" and "Honourable" be discontinued, but the suggestion did not meet with the approval of the committee.

Your committee, however, do not recommend the discontinuance of the practice of awarding military or naval decorations, such as the Victoria Cross, Military Medal, Military Cross, Conspicuous Service Cross, and similar decorations to persons in military or naval services of Canada for exceptional valour and devotion to duty.

The last paragraph is as follows:

Your committee further recommends that appropriate action be taken by legislation or otherwise to provide that hereafter no person domiciled or ordinarily resident in Canada shall accept, enjoy or use any title of honour or titular distinction hereafter conferred by a foreign ruler or government.

That last paragraph is the paragraph to which my hon. friend the member for St. Lawrence-St. George (Mr. Cahan) referred yesterday. When the report came up for consideration by the house an amendment was moved by Mr. Nicholson, the member for East Algoma which amendment, however, did not carry, and finally the report was adopted by the house on a vote of 96 to 43, and the appropriate motions were made that the part of the report which dealt with the address to be forwarded to the sovereign should be dealt with through the proper channels.

Yesterday my hon. friend from St. Lawrence-St. George made some reference to the action taken by the sovereign in connection with foreign orders and medals and decorations. He read from the regulations issued by the sovereign, and I think in Hansard they printed only from the first part of the report, and not from the second part from which he read, for the regulations dealt with two separate matters. The first part of the regulations dealt with foreign orders and medals applicable to persons in the service of the crown, and the second part of the regulations, or B, dealt with foreign orders and medals applicable to persons not in the service of the crown. I direct attention to the report of the committee and to the language which I have just read, which was adopted by the house. The judgment of the house involved appropriate action being taken to prevent the granting of foreign orders or decorations to Canadians or to persons usually domiciled in Canada. Now, that appropriate action was taken by the sovereign, for the regulations to which my hon. friend from St. Lawrence-St. George referred yesterday, and from which he read, are dated at the Foreign Office, in January, 1926, which was some six or seven years subsequent to the date on which the report was adopted by this house. I take it that the right hon. the Prime Minister's advice to the sovereign is the basis of these regulations, which read as follows:

1. It is the king's wish that no subject of His Majesty shall wear the insignia of any foreign order without having previously obtained His Majesty's permission to do so, signified either:

(a) By warrant under the Royal Sign Manual, or

(b) By restricted permission conveyed through the Keeper of His Majesty's Privy Purse.

2. When permission is given by warrant under the Royal Sign Manual, the insignia of the foreign order may be worn at all times and without any restriction.

When restricted permission is given the insignia may only be worn on the occasions specified in the terms of the letter from the Keeper of His Majesty's Privy Purse conveying the royal sanction.

5. Both in the case of full and of restricted permission the matter will be submitted to the king by His Majesty's Principal Secretary of State for Foreign Affairs, who shall be under no obligation to consider applications for permission unless the desire of the head of a foreign state to confer upon a British subject the insignia of an order is notified to him before the order is conferred, either through the British diplomatic representative accredited to the head of the foreign state, or through the diplomatic representative of the latter at the Court of St. James.

6. When His Majesty's Principal Secretary of State for Foreign Affairs shall have taken the king's pleasure on any such application, and shall have obtained His Majesty's permission for the person in whose favour it has been made to wear the insignia of a foreign order, he shall signify the same to His Majesty's Principal Secretary of State for the Home Department, in order that he may cause a warrant, if it be a case for the issue of a warrant as defined in Rule 2, to be prepared for the Royal Sign Manual.

When such warrant shall have been signed by the king, a notification thereof shall be inserted in the Gazette, stating the service for which the foreign order has been conferred.

Persons in whose favour such warrants are issued will be required to pay to His Majesty's Principal Secretary of State for the Home Department a stamp duty of ten shillings.

In other words, by appropriate action taken by the sovereign, as indicated by the regulations issued by the Foreign Office in 1926, it was provided that any foreign orders or decorations that were awarded to Canadians, or those usually domiciled in Canada, would be of no validity so far as they were concerned unless approval of the sovereign was sought and obtained and notice published in the Gazette.

It will be observed that in the return brought down, to which yesterday the hon. gentleman referred, the letters "L.G."—London Gazette—appear after all the decorations that are sanctioned by His Majesty the King. That is, when, as was the case, the Prime Minister of this country had conferred upon him the Grand Cross of the Legion of Honour, there appeared in the London Gazette authorization by the sovereign that that honour might be accepted by him and the appropriate decoration worn on suitable occasions. But as the Prime Minister intimated yesterday, and in my judgment very properly, notwithstanding that the resolution precludes His Majesty from conferring titular distinctions and honours upon his subjects domiciled in Canada, yet the heads of foreign countries are in a position to confer such honours, and apparently have been conferring them on British subjects domiciled in this country.

[Mr. Bennett.]

Therefore there does arise a question of some importance as to acceptance by Canadians of foreign orders and decorations against the advice tendered to the sovereign by the Prime Minister of this country, so far as the approval of the sovereign is concerned, and in direct violation of the provisions of the regulations issued by the Foreign Office—acting under the suggestions contained in the resolution, I take it, passed by this house in 1919—and that question should be considered carefully by a committee. Because it is not right or proper, as the Prime Minister has observed, that there should be a number of Canadians accepting such foreign orders and decorations and, in contravention of the provisions of the regulations and of the order of this house, wearing them, while our sovereign may not confer honours or decorations of any kind upon any of his subjects in this country. That, as the Prime Minister very properly intimated yesterday, is something that should be considered by a committee. Indeed, I think it is a matter of such importance that the house is under a debt of gratitude to the hon. member for St. Lawrence-St. George (Mr. Cahan) for having presented his resolution in very moderate language and in such a manner as to enable a committee to deal with it in a way that, I trust, will be acceptable to the country as a whole.

Mr. WOODSWORTH: Would the hon. member suggest that legislation might possibly be introduced penalizing individuals who act in this way?

Mr. BENNETT: I should suppose there would be no reason why this parliament might not exercise its legislative functions in that direction. But it would appear to me that when this House of Commons has expressed its views by legislation and has asked that appropriate action be taken, and the foreign office has promulgated the regulations to which I have just referred, and this government following the recommendations of the resolution of this house has recommended the sovereign not to give his approval, and such has been the case, then it is a little difficult to understand, as has been said, why there should be conferred foreign orders or decorations upon those who are usually domiciled in this Dominion.

May I venture to make one further observation arising out of the remarks made to this house by the hon. member for Southeast Grey (Miss Macphail)? It is an entire mistake to assume that the granting by the sovereign of recognition to one of his subjects involves a title. A very serious conflict of opinion

arises by reason of a failure to appreciate that some of the highest honours that are granted by the sovereign carry with them no title at all. Need I remind the hon. member and this house that the late Mr. Thomas Hardy possessed the Order of Merit—one of the greatest orders in the world and limited to twenty-four members outside of honorary members; that one other possessor of that order whose name is plain "Mister" is Mr. Lloyd George. Under those circumstances is it not rather undesirable that we should couple with the question of recognition of meritorious service on the part of subjects of the crown in any part of the world, but especially in this Dominion, an attack upon titular distinctions which need not be involved in the granting of such recognition? I desire to make that abundantly clear. For my part I have no hesitation in saying that I do believe now, as I have always, that it is highly proper in a democracy, whatever its form may be, that merit shall be given some recognition by the state. Whether it involves titular distinctions or not is not a matter of importance for the moment, but we should not deny to the sovereign appropriate recognition of leaders in literature, art, science and otherwise, that is, to men who have achieved success in some particular line of activity, by granting to them the Order of Merit or the Companion of Honour. Some of you may recall that the latter honour was conferred upon Mr. Smuts, who was for some time Prime Minister of South Africa. He has no titular distinction beyond that which is enjoyed by the Prime Minister of this country, namely, that of right honourable, a courtesy title which attaches to his position as a member of the imperial privy council. In the same way we address a judge upon the bench as His Lordship, although in some of the older provinces the title His Honour is used. I mention that because it is so easy to appeal to that which my friend from Southeast Grey desires so much to deprecate, that is, caste and class distinction. Of necessity there is nothing of titular distinctions involved in recognition by the sovereign of merit in any of his subjects. In some instances there were created great orders for the express purpose of meeting the situation to which attention has been directed.

I regard this as a matter of some importance in view of the action taken by this parliament in 1919, and in view further of the very persistent disregard of the provisions of the resolution of this house and the subsequent action taken by the foreign office and the sovereign. Therefore I associate myself with the Prime Minister. While I have usually found committees very unsatisfactory tribunals for dealing with matters of this kind —we had a very unsatisfactory instance last session—yet in view of the attitude expressed by the Prime Minister that the resolution should go to a committee, I heartily place myself in accord with that view.

Mr. HENRI BOURASSA (Labelle): May I intervene in this all important debate as a friendly intermediary between the hon. member for Southeast Grey (Miss Macphail) and the leader of the opposition (Mr. Bennett)?

Miss MACPHAIL: Thank you so much.

Mr. BOURASSA: The hon. member for Southeast Grey dismissed the question with a certain degree of sarcastic levity, while the leader of the opposition—quite properly, having regard to his present position and, possibly, to his future,—has treated it with a great deal of solemnity.

Is this issue one of those questions of state to be submitted to the next convention called upon to frame the future policy and destiny of the great Tory-Liberal-Conservative-Nationalist party? So far as I am concerned —to state at once the points on which I agree with the leader of the opposition—I concur in the opinion of my hon. friend that this question ought not to be coupled with any of the great principles of either democracy or aristocracy.

Let me observe, first, a very singular fact. Years ago I travelled a good deal, and often sojourned, in the United States, and I do not know of any country in the world where so many fierce upholders of democracy are so anxious to have their coats ornamented with labels and medals of various kinds, by which they get around that article of their constitution which forbids the acceptance of any foreign decoration. They create as many orders of merit—or demerit—as they can in order to satisfy that instinct or appetence. I do not think, therefore, that it is a question of aristocracy or democracy or of any form of government.

That it relates to human instincts I have not the slightest doubt; and I must say I was struck with that thought—which affected much what faith I might have had in the seriousness of the subject—by the very kind and humane attitude of our dear old friend Sir Wilfrid Laurier. I was one day waiting for him in his parlour in Laurier House. He was in his library upstairs and I expected every moment that he would call me up. Instead he came downstairs in his morning

slippers, so that I did not hear him, the reason for this being that there was someone in his library at the time and he wished to see me immediately. I happened to be looking with some curiosity and merriment upon a vast show case, in front of the window, containing all the decorations which he had received. Coming up to me and slapping me on the shoulder, he said, "Henri, you are laughing at this, and quite rightly. Human nature is the same everywhere. Negroes put these things in their noses and ears; we pin them on our coats because we have coats. But after all it means the same to us all." That is what I call the humour of the matter.

Speaking somewhat more seriously, let us look at the political aspect of the question. After all, although absolutely ridiculous if looked at from a certain philosophical point of view, there is some reason for which all governments have followed the policy of decorating heroes and big men, thieves and scalliwags, according to the need that governments have had and have of various forms of human aid. There is some human reason for it, something which evidently goes to the roots of human nature. And that brings me to the point, a very interesting point, suggested by the motion of my hon. friend from St. Lawrence-St. George (Mr. Cahan). Is it proper, is it sensible that Canadians still connected with the British crown should accept from foreign governments decorations which they are supposed to refuse, upon an address of this house, to accept from the British government? Again, it depends. If decorations are made use of by governments to foster devotion to their policy, to secure cooperation, diplomatic or political or financial, from men of influence in various countries, then I should say that from one point of view, the international, it should not be permissible for Canadians to accept such decorations from foreign governments while being forbidden to accept them from the British crown.

Let us avoid dragging the name of the king into a question of this nature, for everyone knows that the king has no more to do with the granting of decorations, either in England or elsewhere, than he has to do with any other function of government. Those knights and lords, whatever their titles are, are created by the British government—in other words, by a cabinet of politicians who for the time being control the policy of the British Isles on matters important or insignificant. Up to within recent years everyone thought—at least naïve colonials thought—that men were called to the House of Lords because of services rendered to the state. But, thanks to the somewhat cynical frankness of Mr. Lloyd George, who will be forgiven many a crime for his fits of candour—something so rare among great leaders of men and of empires—we know that the traffic in seats in the House of Lords has been going on for many years past, and it is only a question of acuteness of mind to account for the distribution of these favours to those who are able and willing to pay the highest price for them. If to-day there remains to Mr. Lloyd George and his handful of political partisans some chance of winning some elections in England, everyone knows that it is because he was sharp and energetic enough to preserve the fat electoral fund which he gathered during his stay in power by the sale of seats in the House of Lords. I understand that it brought to his group, under his personal control, something in the neighbourhood of three or four million pounds.

Mr. MACKENZIE KING: May I interrupt my hon. friend? I do so in justice to the memory of one whose name is greatly honoured. I believe it is a fact that Mr. Asquith was called to the House of Lords by His Majesty the King on His Majesty's own initiative; there was no recommendation on the part of any government at the time Mr. Asquith was created Earl of Oxford and Asquith.

Mr. BOURASSA: I do not dispute it. There are a very few exceptions which confirm the rule. Once in a while the king is given the liberty of rewarding a man of indisputable reputation by elevating him to the House of Lords. But that happens once in ten years. My hon. friend will not dispute the rest of my statement.

Mr. CAHAN: Is it not exactly the reverse of what my hon. friend has said?

Mr. BOURASSA: I do not know; that is what I learned in London. I take my text from the gospel. This is no new thing, either in Canada or in England. Why not be a little more candid about it? In the early days of the Liberal government of 1896 I remember talking to Sir Wilfrid Laurier about some question or other. The conclusion had been reached that it was necessary to carry on a campaign of education in order to bring forward some public issue which had not been discussed during the general election. At that time he was not Sir Wilfrid Laurier, although the fact that he later received his title did not change him at all, and he told me quite candidly, with a humourous little smile, "But you know

that will have to be carried on through the newspapers, and that takes money. At present, just after an election, we have no great amount of campaign funds, but we expect to have a few Senate seats to dispose of before long, and that will help us through." Of course that has been done by all parties.

Mr. FORKE: Why blame it on Sir Wilfrid Laurier?

Mr. BOURASSA: I am not blaming it on him; I think perhaps he did a little less of it than anyone.

Mr. FORKE: You are advertising it, anyway.

Mr. BOURASSA: Everyone knows that Sir John A. Macdonald advertised it quite freely for years. Sir Wilfrid Laurier used to do this in a decent way; he would say, "Go and talk to Mr. Sifton," or "Why not see Mr. Tarte?" Usually they were the disposers of these helps to government policies. Everyone knows that these things are for sale in almost every country.

But with regard to the international situation, it is different. As I have already said, it seems absurd that Canadian people should be allowed to accept foreign decorations while they are prevented from accepting British decorations, but on the other hand we must admit that British politics still have a great deal to do with the undercurrents which govern Canadian politics. If we admit, as we should, that one government in England may be interested in having a certain policy promulgated in Canada while another government may be interested in another policy, then I think the exercise of that so-called royal prerogative in the hands of English politicians throughout the various dominions for the advancement of their own political views is one thing against which we should guard. Such men as Sir Wilfrid Laurier, Sir John A. Macdonald and Sir Charles Tupper, taking them at random, were entirely above these considerations; I do not think the fact that they were titled by the crown under advice of the British cabinet changed them at all in their policies. Sir John A. Macdonald never carried on more courageous fights against the encroachments of the British government than he did after being titled by that same government, because he had been offered and had accepted those decorations as a statesman can afford to accept such acts of courtesy from another government. But there are weaker and vainer men, and that brings me to another aspect of the situation, because I do not wish to stray too far from the humorous side.

Some years ago, long before the war, a very highly distinguished and amiable lady was much concerned about launching a charitable work of some kind, I do not remember what it was. Naturally she wanted to interest moneyed people. One day she questioned a gentleman who formed part of one of Canada's numerous administrations and who had had many occasions to test the conscience and lack of conscience of various brands of Canadian citizens and British subjects. She asked him how she could approach the wealthy men of Montreal and Toronto in order to interest them in this project, to which he replied, "Well, madam, if you have some influence with the men in England who dispose of titles, a commodity especially appreciated among these people, that might have a good deal to do with the success of your enterprise." He told me later that some time after this conversation he read with a great deal of amusement in Toronto and Montreal papers that this charitable project had been launched and was on its way to success, and heading the list of contributors were the names of prominent gentlemen in Montreal and Toronto, followed by a designation of the financial institutions with which they were connected, because personal advertising and business advertising always go together. On another page of the same issue appeared a list of the birthday decorations for that year, and that list contained these same names. A mere coincidence? Perhaps.

That is what I would call the charitable aspect of the question, and if it brings forth good, if it helps the poor, and serves some good purpose, why not give a chance to these people who are not amenable to the direct call of the poor, the miserable and the suffering upon their hard-earned and sometimes stolen millions? Why not give this chance to influential people who thus can find a key to those hearts and those coffers?

Nevertheless it seems to me, Mr. Speaker, that there are a few subjects more pressing than this, matters concerning the present and future welfare of the people of Canada, which might well deserve the attention, the study and the close scrutiny of the statesmen who lead the country at present or those who aspire to do so, of course altogether against their wish. There are questions concerning the welfare of agriculture, the assistance of large families which we have been discussing to-day, the balance between used and unused capital and many other matters connected either with the moral welfare of our people or the balance of economic forces of this country which might usefully occupy the attention of

some of these eleven men who are to form the committee suggested in the resolution now under discussion. However, I have no objection to the appointment of such a committee; but if it were not considered too crude or too risky, it might be interesting for that committee to consider the various aspects of the question which I have brought forward this afternoon, borrowed, as I have already said, from the testimony of men who knew, and women also. I would say with the French writer; in these matters, as in others, "Cherchez la femme." The findings of that committee might not have any direct effect on our political life, on our internal, inter-imperial or international problems, but at least they would serve the useful purpose of giving this parliamentary session, which threatens to be somewhat dull, a little touch of humour which might help us out in other things, just as the right proportions of salt, pepper and vinegar help very much in the digestion of heavy meals.

Mr. MACKENZIE KING: In the course of his remarks my hon. friend referred to certain conversations with Sir Wilfrid Laurier. He was speaking very generally, but he made reference to four or five senatorships.

Mr. BOURASSA: I do not remember the exact number.

Mr. MACKENZIE KING: My hon. friend's remarks as I heard them were apt to leave the impression that Sir Wilfrid Laurier had given senatorships for a financial consideration. I knew Sir Wilfrid Laurier very intimately and I feel certain that anything of the kind was the last thought in his mind. I do not believe Sir Wilfrid Laurier ever appointed anyone to the senate because of a financial consideration. I do not think my hon. friend would wish to do Sir Wilfrid's memory an injustice, and unless he is very sure of exactly what was said in the conversation to which he alluded I hope he will feel that he should qualify his remarks.

Mr. BOURASSA: Of course everyone who knew Sir Wilfrid Laurier knows that he was not a man to traffic with senatorships in that crude manner. Under his regime, as well as under all regimes, some senators were appointed because of their personal services, others because of the large subscriptions they made to the party. It was all done honestly and openly.

Miss MACPHAIL: They are doing it yet.

Mr. BOURASSA: And I have no special objection to that so long as the senate is composed of appointees of the government. I do not grudge that privilege to my right hon. friend, no more than I would make it a crime for his opponent on the other side. They may do what Sir John Macdonald and Sir Wilfrid Laurier did, and do it most honourably; it is one of the results of the regime. I mentioned that simply as an illustration to show that this question of political honours and rewards cannot be disconnected from the question of money. It may be done by honourable men in a decent way, but it is also done at times in the same way as it would be done by brigands, in isolated quarters far away from inhabited areas.

[Mr. Bourassa.]

Mr. T. L. CHURCH (Toronto Northwest): This question was closed some ten years ago and I think the country expects it shall stay closed. There is no demand for this resolution or for any change in the present regulation. There was such an agitation against titles during the days of the Union government that the country rose against the principle of granting them. They were granting titles to war profiteers, hog kings, bacon kings, brewery kings, distillery owners, tobacco manufacturers, cigarette millionaires and all the rest of them, and the result was the country got sick and tired of it. The returned men working for $1.10 a day did not like the idea of raising a class distinction in this country.

This parliament has been assembled here for a week and nothing has been done. The hon. gentleman for St. Lawrence-St. George (Mr. Cahan) brought forward his resolution yesterday, although it was not private members' day. Titles seem to be very popular in St. Lawrence-St. George, as a gentleman from that part of the country has already received the title of Minister Plenipotentiary and Envoy Extraordinary to the kingdom of Japan. He is going over there and we have given him the title of His Excellency. Another excellency has also been appointed in Washington and a new house obtained there which has cost half a million dollars by way of capital charge and more money for maintenance.

It would be far better if this house ceased to be a mock parliament and appointed some committee to handle the business of the country. The government seems to find itself incapable of handling the business so far, or of bringing any on.

To-day is the first day of Lent, commonly known as Ash Wednesday. During Lent people should deprive themselves of something, and I would implore the hon. gentleman from St. Lawrence-St. George to deprive himself of some of these high-sounding nothings and abandon his resolution. The coun-

try has deprived itself of the luxury of titles for ten years and it has struggled along very well without them—very well indeed.

The country is still struggling along, with the result that 600,000 of our men, many of them returned soldiers, have had to join the ranks of the unemployed and go to the United States looking for a title to a job. I am surprised that the leader of the opposition and others are supporting this particular resolution. There is nothing to commend this to the wisdom or judgment of the country, and it is the wrong time to reopen the subject. Let the government, if it wants the motion, take the responsibility of reviving this innovation, and let the government govern. In the old days of the Union government we had hundreds and hundreds of honorary colonels—which reminds me of Kentucky where every Tom, Dick and Harry is a colonel; there are no privates down there. The number of honorary colonels in this country would make quite a standing army. I might compare it to Virgil's army, which was so crowded they could not use their shields. I know one man in Toronto who has ceased to call himself an honorary colonel. He calls himself a full colonel now, if you please, although he is only an honorary one.

I remember sitting on the exhibition executive board in the city of Toronto, where I was the twelfth man representing the city, and the other eleven were all honorary colonels. I do not want to be called an honorary colonel or any other kind of colonel, because I am not a colonel, and I am very much surprised that the mover of the resolution is seeking to establish in this country what I would call a landed aristocracy. He would set up the Restoration days for titles. The hon. member for St. Lawrence-St. George is dividing the people of Canada into cavaliers and roundheads of the old Restoration days. No doubt that minstrel show consisting of the interlocutor and the tamb and the bones, known as the tariff commission, will benefit, and they will receive titles for their efforts in digging up free trade facts and sounding the death knell of protection in this country.

After all, titles do not make the man. Yesterday in the United States they celebrated the anniversary of the birth of Abraham Lincoln. The people of the United States honour Abraham Lincoln for what he did for humanity through the love he had for his brother men; for what he did for the working classes to make it a far happier country to live in. Another great man, Thomas Edison, celebrated his birthday last Monday. He is well up in the eighties and is working night and day for the betterment of mankind, yet he has no title. They say this is a democratic country, but from the Nipigon river in the west right down to the Ottawa valley every American who comes over here finds Canada a happy hunting ground. The title to practically the whole district from the Ottawa river to the Nipigon in regard to mineral wealth, water-powers and timber has been given to American millionaires. The people of the United States have found Canada a very happy hunting ground for titles to our timber, mines and water-powers, although we say that this is a democratic country.

I look upon the government of this country as a combination of appetites and big interests. It would be a blessing for the people of Canada if the Prime Minister would show the gate to some of the gentlemen who compose the big interests, the Beauharnois power, various crowds, and all the rest of them. What the government wants at present is a good chief bouncer to deal with these grabbers of the people's resources and turn the power grabbers and mineral wealth grabbers out of the parliament buildings and preserve the water-powers and the St. Lawrence water way for the people of Canada instead of conferring titles on this gentleman and that gentleman and making them power millionaires overnight.

This question was discussed in the days of Liberalism, in the days of the good Sir Wilfrid Laurier whom everyone admires, loves and respects. The Reverend Mr. Huxtable headed a deputation before Sir Wilfrid. Sir Wilfrid told them if the people by referendum voted for prohibition he would place a prohibitory law on the statue books. Mr. Huxtable said: "Sir Wilfrid Laurier,—" "Do not call me Sir Wilfrid," said Sir Wilfrid Laurier, "call me plain Mr. Laurier. I am a democrat to the hilt." Sir Wilfrid lived, no doubt, to change his mind on titles, as no doubt everyone is privileged to do, and he afterwards took a title.

The abolition of titles came up in the house on the 14th of April, 1919, and a debate took place. At that time a large number of people were out of employment in this country; conditions and times were bad; demobilization was taking place after the war. It was pointed out by the hon. member for Fort William (Mr. Manion), who is now one of the leading front benchers in this parliament, that if we wanted to give titles in Canada we should give them to those who served in the trenches for $1.10 a day and to the mothers and widows of those who fought and fell in

France and Flanders. Those are the people who should be honoured. How does the government honour those people? Do they get titles? Yes to the poor house.

Yesterday in one of the Toronto papers I noticed an advertisement in which, instead of giving those people a title, they have a tag day for the needy soldiers. They do not require a tag day to maintain Mr. Massey or Mr. Marler or Mr. Larkin or all those gentlemen, but they have to have a tag day for the needy soldiers:

To-day's Requisition for Needy Veterans

An immense number of articles of clothing is urgently needed by the poppy fund to supplement the donations of money. Last year a large sum was saved for other distributions through the generosity of Toronto citizens in donating warm clothing, shoes, bedding, etc., to help the families and children of destitute ex-service men through the winter months.

Just fancy that when we are speaking about titles in this house, men who have fought in Flanders and France, and their children, have to pass round the streets of Toronto in this second-hand clothing. The advertisement continues the plea for second-hand goods for soldiers:

Shoes—All sizes—especially children's.
Clothing—Babies' and children's, of every nature; underwear, overcoats, women's dresses, men's suits anything warm and wearable.
Bedding—Blankets, comforts, quilts.
Telephone Poppy Fund, 15 Queen's Park; Kingsdale 8710 or 8721—or, if passing, leave your parcel.

That is for the men who fought the battles of this country in France and Flanders. What did the Union government do? The Union government put the Conservative party in the cemetery for a long time by the way it dealt out titles.

Some hon. MEMBERS: Oh, oh.

Mr. CHURCH: The Union government almost put the Conservative party in Toronto out of business as well. There are many gentlemen who received titles and who did nothing for the party. The time has come in this house to speak out against this particular innovation on the part of the hon. member for St. Lawrence-St. George.

I notice a change in the parliamentary institutions of this country. To-day democracy is a failure in Canada, judging by the way the government has usurped the functions, privileges and powers of the House of Commons. The House of Commons has lost the functions it used to possess in previous generations. We have no control over supply. If we move to strike out a dollar, the government will resign if they are beaten. The House of Commons should have some machinery for checking up these cabinet proposals and title proposals and the government should accept the responsibility for them. Several bank mergers have been put through over the head of parliament. Natural resources like the Seven Sisters falls have been given to the Winnipeg Electric Company over the head of parliament. In the Beauharnois deal the whole St. Lawrence waterway was nearly given to a lot of Americans and others who exploit for private greed and gain. It was only a miracle that the permit with respect to Beauharnois did not go through the cabinet which would have meant the death of the St. Lawrence waterway. The St. Lawrence waterway question is the greatest economic problem we have on the North American continent to-day, and yet we have no government that will settle the title to the St. Lawrence. The party that takes up that question and settles it will rule Canada for many a day rather than a party that is trying to introduce a lot of decorations and titles into this country for the benefit of a few figureheads and hangers-on of the party system. If this committee is appointed I would like them to examine some of the members of the Union government and of the Liberal government, as the Lloyd George committee did, and find out how much these power kings, tobacco knights, cigarette knights, hog and bacon kings and war profiteers paid for their titles. Let that be the first thing which the hon. gentleman does when he presides, as I presume he will, over this committee.

I see on the other side two hon. gentlemen who, I thought, were doctors and who, I find, are not doctors at all. The Minister of Agriculture (Mr. Motherwell) has had the degree of D.C.L. conferred on him by the university of Saskatchewan. Like the educated and learned Prime Minister (Mr. Mackenzie King) who has seven or eight degrees, including one from Yale and one from Harvard and who is becoming very popular by degrees, the Minister of Agriculture is trying to follow in the footsteps of his leader. The hon. member for Brandon, the Minister of Immigration (Mr. Forke), was urged to give up the department, go to the city of Winnipeg, wear a Windsor uniform and a three-cornered hat and become the lieutenant-governor of Manitoba. He was one of those urged to take the position and go to sleep among the butterflies. The Minister of Agriculture, who became a doctor over night last spring, now that he is a doctor, no doubt wants a title too. He did not have long to wait because he was

one on whom the university at Saskatoon conferred a degree last year. He was offered, it is said, the gubernatorial chair at Regina. He would do well with such a title and also be asleep among the butterflies.

The Liberal party down in the maritime provinces were in favour of titles too. They gave away the title deeds to the products of the sea, the soil, the forests and the mines to political favourites like Santa Claus hands Christmas presents off a Christmas tree. Those three provinces have thereby suffered untold ills, the result being that the Duncan commission was appointed which made recommendations for subventions and subsidies to remedy the ills of that particular district and recover the title deeds to the resources of the province.

There was considerable talk in this house on Monday about war jingoes, and some people seem afraid to mention the Americans above a whisper. The war jingoes are no worse than some of the peace jingoes and the title jingoes we have in this house. If this question of restoring titles is gone on with and titles are restored in this country, it will be found that the people who will be wanting titles will be those who have put up subscriptions, and we shall just be bringing into this country the abuses that obtain in the old land under the title system there. We had certain titled gentlemen come into this party from the Liberal party at the time of the Union government, but I am not aware that any recruits from the Liberal party have ever been any asset to the Conservative party. It would be better for this party if they stayed over there in their own party. If the government wants to reintroduce this innovation into Canada, let it do it as a Liberal government. But really, Mr. Speaker, there is no Liberal party in this country to-day. We have no great Liberal like Plimsoll, who forced the Plimsoll mark on shipping through the English House of Commons for the protection of the British sailors who had been sailing the seven seas in coffin ships. The Liberals we have in this country are not Liberals at all. The Liberal party in Canada to-day is not the party of George Brown or of Baldwin and Lafontaine. That was a real Reform party. Have we any reforms in the speech from the throne? No, the government had no business ready to go on with at all yesterday, and they gave the right of way to the hon. member for St. Lawrence-St. George (Mr. Cahan) to bring forward his resolution, although it was not private member's day. Why not give the hon. member for Frontenac-Addington (Mr. Edwards) the right of way to-morrow to go on with his resolution regarding the natural resources of the four western provinces? The title deeds of the four western provinces have been referred to the Supreme Court, and no doubt the question will go on to the Privy Council. That is all we have in this country to-day—government by order in council, by commissions, and by courts of law. You cannot solve any problem in this country if you are sitting in opposition. You may have a bill to bring about a reform, and what happens to it? In the old days of the Family Compact, a member of parliament who was a Liberal could introduce a bill; it would receive first and second reading and a decision would be made upon it, but under this so-called Liberal government you cannot get anything done. The hon. member for South Toronto (Mr. Geary) had a bill on the order paper last session as to subsidiary companies, but it did not receive even a first reading.

I can find no demand for this resolution from the city of Toronto, but I have no doubt that if the hon. member for Labelle wants some title, the University of Toronto will be glad to give him the degree of LL.D. There are very few titles among the returned men in this country. They do not get into the cabinet. It is easier for a camel to get through the eye of a needle than it is for a returned soldier to get a seat in the senate or on the bench in this country. They give the returned men all the pick and shovel jobs, but when it comes to a title or to a seat on the bench or in the other chamber, that goes to the rank and file of the party who are civilians and have paid their dollar and joined the Liberal association. Workingmen can sit in the British parliament, but no workingman can sit in the Canadian senate, and very few workingmen can sit in this chamber either. We need to go back to the days of the old Family Compact in creating a titled class in Canada. The poet Browning has said that all service is alike before the Lord; that whether you sweep the streets or drive a tram-car or are a prime minister, if you do your duty, your service is alike before the Lord. Canada is supposed to be a democracy, but it is not a democracy at all. The people do not govern in this country. Democracy is becoming a failure in this country, if we are to judge by the way the power barons are being granted the natural resources of this country, which are being squandered by the government, and the title deeds to the country's natural resources and water-powers taken away from the people.

I ask the government to let the working classes vote on this motion of the hon. mem-

ber for St. Lawrence-St. George, and they will soon see how popular this legislation is among the working classes, so many of whom are out of work. The government of the day has no right to put this proposition over, this monument of folly the way they put over the change of status—without the will of the people.

Let me tell the Prime Minister of this country that titles automatically became abolished in this country by Canada's changed status. The judiciary of the superior courts of this country are no longer entitled to be addressed, "My Lord," or "Your Lordship." The Prime Minister of this country settled all that by this magnificient dream of our new status, by this business of making Canada a nation overnight. Canada a nation of titles, with no navy except a few small craft such as row boats, now locked up in a garage at Halifax? That is the country that wants to restore titles!

I think this country has had enough of this kind of legislation. Is this all that parliament has to do? Are we assembled here to discuss academic questions of this kind, titles, and all that kind of thing? Canada won a new title at the League of Nations, if you please; we have a seat at the league now. The League of Nations is going to cost us more and more in the future than all other agencies put together, and you would be convinced of that if you would only read the Empire and English Review. It shows the mischief that this particular agency is doing. If this opposition wants to be a fighting opposition, it ought to be up and doing, instead of being a sort of Woodrow Wilson opposition discussing titles and that kind of vanity and conceit; for it is a case of "vanity, vanity, saith the preacher; all is vanity".

I am aware of no demand for this resolution. The Conservative party had a platform at Winnipeg, and they were afraid to mention in it what has been the main plank of their platform ever since we became a party, the very backbone of the Conservative platform, namely, the title "protection." This government is giving away the water-power resources of this country to gentlemen who occupy offices on St. James street. There is too much government from St. James street and too little from Ottawa. Here we have been assembled for nearly a week, and instead of our trying to help the struggling men, women and children in Wales by sending them one or two million dollars, or studying the problem of the national coal supply and perhaps bringing out coal from Wales, we are sitting here discussing academic questions of this kind. The lowly carpenter of Nazareth had no title.

[Mr. Church.]

Last session we had a discussion on the table of precedence in this country. If you read it in the red book, "The Parliamentary Companion," you will find what a lot of hasbeens members of the House of Commons are. They are twenty-third on the list in the table of precedence and are preceded even by honorary colonels—and this although such a table is abolished by Canada's new status.

Five hundred thousand Canadians went overseas and fifty thousand of them lie buried in France. If the plain title of "Mister" was good enough for them, that style of address and salutation should be quite good enough for the civilians who stayed at home and became war profiteers. I believe that the hon. member for St. Lawrence-St. George would be far better occupying his time in getting the unemployed in his and other constituencies titles to jobs in their own land instead of having to go to the United States as they are forced to do now under our economic system.

One of the greatest prime ministers that Great Britain has ever had, Mr. Stanley Baldwin, is a commoner. He will rank as a greater than William Pitt. Joseph Chamberlain, who gave us the magnificent dream of an economic empire, was content to be a commoner; those great Liberals, John Bright and Gladstone, were commoners, and so were many others who stood for what they conceived to be the principles of liberalism. I submit that those who support titles are not true to those Liberal principles. This house should occupy itself in solving the great economic problems of the empire, trade, defence and migration, instead of frittering away its time on such a purely academic question as titles. Canada has earned the title of the greatest spendthrift nation of the world. In 1896 it took thirty-six million dollars to run this country; to-day it takes four hundred million dollars. In 1896 some of the provinces spent 5 millions; now they spend 57 millions. It would be far better to discuss vital economic problems than waste our time on titles.

If we adopt this resolution and appoint a committee, then automatically we adopt the principle of the resolution. Let those who are in favour of titles declare themselves now. I see no reason for altering the decision come to by the house in 1919 when the argument for and against titles was stated at very great length. The only action we need take in regard to titles is to deal with one or two hereditary titles enjoyed by a small number

of Canadians. There is no room in this democracy for hereditary titles and they should be repealed. If the government wants titles let them say so and take the responsibility as a government for their restoration. This feudal institution has been dead since 1919, and it should stay dead as far as the people of this country are concerned.

I move the adjournment of the debate.

Mr. CAHAN: I object, Mr. Speaker. The hon. gentleman has spoken for forty minutes; he is not entitled to move the adjournment of the debate.

Mr. SPEAKER: I am informed by the Clerk of the House that the hon. gentleman has spoken only thirty-five minutes.

Some hon. MEMBERS: Finish!

Mr. SPEAKER: The hon. gentleman has five minutes more.

Mr. CHURCH: This is the first time that I was ever given five minutes extra. This resolution follows somewhat the form of the resolution of 1919, but goes a little further, if anything. Everybody respects the hon. member for St. Lawrence-St. George, he is one of the active members of the house, and has given a great part of his life to the service of his fellow-citizens, but notwithstanding that, on a matter of principle, I must differ with him on this resolution. Its purpose is to appoint a committee of eleven to further investigate. What? To investigate and report on the very same principle on which the committee of 1919 reported. At that time the Liberal party was very largely lined up against the title principle. In the debate at that time Mr. Michael Clark, the then member for Red Deer, made a very important speech covering the four corners of this resolution. He supported the principles of Liberalism. Mr. Nickle gave a history of titles from feudal days and pointed out that Canada being a democratic country did not want to retain this relic of feudalism. The mover of the resolution wants to have a special committee appointed, consisting of eleven members, to investigate and report upon the advisability, first, of qualifying the address to His Majesty the King. No doubt certain gentlemen are to qualify for certain titles. I see the hon. member for East Toronto (Mr. Ryckman); I do not see why he should not be made an honorary colonel. He is as much entitled to that distinction as the hon. member for Labelle (Mr. Bourassa). Is it intended that this motion shall affect such decorations as are conferred by the Knights of Pythias, the Knights of Columbus and the Black Knights of Ireland? This parliament has no power to interfere with decorations such as are worn on the twelfth of July or the seventeenth of March. The motion also suggests amending or rescinding the address to His Majesty the King. Let us see what that address asks of His Majesty.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 14, 1929

The house met at three o'clock.

PARLIAMENTARY RESTAURANT

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the senate informing this house:

That the honourable the Speaker, the honourable Messieurs Green, Hardy, MacArthur, Sharpe, Tanner and Taylor, have been appointed a committee to assist the honourable the Speaker in the direction of the restaurant of parliament, so far as the interests of the senate are concerned, and to act on behalf of the senate as members of a joint committee of both houses on the said restaurant.

LIBRARY OF PARLIAMENT

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the senate informing this house:

That the honourable the Speaker, the honourable Messieurs Aylesworth, Sir Allen, Beaubien, Chapais, Gillis, Gordon, Griesbach, Hatfield, Laird, Lewis, Logan, McDougald, McLennan, Poirier, Spence, Taylor and Turriff, have been appointed a committee to assist the honourable the Speaker in the direction of the library of parliament, so far as the interests of the senate are concerned, and to act on behalf of the senate as members of a joint committee of both houses on the said library.

PRINTING OF PARLIAMENT

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the senate informing this house:

That the honourable Messieurs Aylesworth, Sir Allen, Buchanan, Chapais, Donnelly, Farrell, Green, Hatfield, Horsey, Legris, Lewis, McDonald, McLean, McLennan, Pope, Raymond, Robertson, Sharpe, Taylor, Todd, White (Inkerman), and White (Pembroke), have been appointed a committee to superintend the printing of the senate during the present session, and to act on behalf of the senate as members of a joint committee of both houses on the subject of printing of parliament.

PRIVATE BILLS

FIRST READINGS

Bill No. 16, respecting the Sun Life Assurance Company of Canada.—Sir Eugene Fiset.

Bill No. 17, respecting The Quebec Railway Light and Power Company.—Mr. Parent.

Bill No. 18, to incorporate Canadian Reinsurance Corporation.—Mr. Mercier (St. Henri).

Bill No. 19, to incorporate The Railway Brotherhood Casualty Insurance Company.—Mr. Mercier (St. Henri).

Bill No. 20, respecting The Bell Telephone Company of Canada.—Mr. Edwards (Ottawa).

Bill No. 21, to incorporate The National-Liverpool Insurance Company.—Mr. Guerin.

Bill No. 22, to incorporate Niagara Falls Memorial Bridge Company.—Mr. Pettit.

Bill No. 23, respecting certain patent application of Stanley W. Hayes.—Mr. Jacobs.

CIVIL SERVICE SUPERANNUATION

PETITION OF EMPLOYEES OF GOVERNMENT TELEGRAPH SERVICE

Mr. A. W. NEILL (Comox-Alberni): I have the honour to present a petition signed by J. Smith, and about one hundred others, being employees of the telegraph department of the government service, and praying that they be allowed to subscribe to the superannuation fund of the civil service—and in my opinion, Sir, a much delayed piece of justice.

PRECIOUS METALS MARKING ACT

Mr. J. E. LETELLIER DE ST. JUST (Compton) moved for leave to introduce Bill No. 24 to amend the Precious Metals Marking Act, 1928.

He said: The only change is the addition of the words "or importer of, or dealer in".

Motion agreed to and bill read the first time.

FISH INSPECTION ACT AMENDMENT

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved for leave to introduce Bill No. 25, to amend the Fish Inspection Act.

An hon. MEMBER: Explain.

Mr. CARDIN: This bill is the result of recommendations made by the Atlantic fisheries commission, and provides for the inspection of fish and curing establishments which were not covered by the Inspection Act.

Motion agreed to and bill read the first time.

FISHERIES ACT AMENDMENT

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved for leave to introduce Bill No. 26, to amend the Fisheries Act.

An hon. MEMBER: Explain.

Mr. CARDIN: This bill provides for the putting into practice of the recommendations of the Atlantic fisheries commission. Its main object is to make the season for lobster and smelt fishing statutory.

[Mr. Speaker.]

Motion agreed to and bill read the first time.

QUESTION PASSED AS ORDER FOR RETURN

SALES TAX COLLECTIONS

Mr. EDWARDS (Frontenac-Addington):

1. What was the rate imposed and the amount of domestic sales tax collected on sales by: (a) manufacturers or producers to retailers or consumers; (b) manufacturer to wholesaler or jobber and by wholesaler or jobber to all others; (c) lumber, for each of the following periods: (a) May 19, 1920, to June 16, 1920; (b) June 17, 1920, to May 9, 1921; (c) May 10, 1921, to May 23, 1922; (d) May 24, 1922, to December 31, 1923; (e) January 1, 1924, to April 10, 1924; (f) April 11, 1924, to February 17, 1927; (g) February 18, 1927, to February 16, 1928; (h) February 17, 1928, to present date?

2. What was the rate imposed and the amount of sales tax collected for each of the periods mentioned above on importations by: (a) manufacturers, producers, wholesalers, jobbers; (b) retailers and consumers; (c) lumber?

CANADIAN COPYRIGHT

On the orders of the day:

Mr. L. J. LADNER (Vancouver South): I would like to ask the Prime Minister a question which is both urgent and of international importance. Is it the intention of the government to correct by legislation the anomalous situation in which Canada, a party to the Berne convention, finds herself, having pledged herself to guard the Canadian copyright of foreign authors as the Canadian rights are guarded in foreign countries?

Mr. SPEAKER: I would ask the hon. member to give notice of this question. It might stand as a notice.

AIR MAIL SERVICE

On the orders of the day:

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): I should like to ask the Postmaster General if any provision has been made for carrying mails by the air service to Cape Breton?

Hon. P. J. VENIOT (Postmaster General): Not up to the present time. The question of the air mail service to the maritime provinces is now being considered by the department. We have inaugurated a tentative service between St. John and Halifax. The matter of extending it further will receive consideration later on.

TITLES OF HONOUR

PROPOSED APPOINTMENT OF SPECIAL COMMITTEE

The house resumed from Wednesday, February 13, consideration of the motion of Mr. Cahan:

That a special committee of the house consisting of eleven members be appointed forthwith to investigate and report upon the advisability of qualifying, amending or rescinding the address to His Majesty the King, which was adopted by the house in May, 1919, dealing with the conferring by His Majesty of titles of honour or titular distinctions upon His Majesty's subjects domiciled or ordinarily resident in Canada; and also to consider and report upon the appropriate action, if any, which the parliament of Canada should take with respect to the acceptance, enjoyment or use by persons domiciled or ordinarily resident in Canada of titles of honour or titular distinctions or decorations conferred by any foreign government, governmental authority, potentate or power; and also to consider and report upon the advisability of instituting orders of merit, distinctions or decorations, which may be conferred by His Majesty upon persons domiciled or ordinarily resident in Canada, on the advice of the government of Canada, in recognition of distinguished public services; and that such committee have power to send for persons, papers and records, and to report from time to time to this house.

Mr. SPEAKER: If any other hon. member wishes to speak on this motion, the time is now, because the hon. member for St. Lawrence-St. George (Mr. Cahan) will close the debate.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, the hon. member for St. Lawrence-St. George (Mr. Cahan) is indeed very fortunate, because this is the third day on which a private member's resolution has had the opportunity of being discussed in this house. He is fortunate also in another respect because I believe there are very few people in Canada who are interested in the question whether titles are conferred in this country or not. Yesterday I had a question on the order paper and I think it is quite pertinent at this particular juncture to make reference to it. It related to a matter considerably more important than that of titles in Canada. It had to do with the development of the St. Lawrence river and when I asked the Prime Minister (Mr. Mackenzie King) whether the house would have an opportunity of discussing that question, the reply I received indicated that the house would have no opportunity whatsoever of dealing with it. As a result of the reply which I received yesterday from the Prime Minister and the hours and days that we may be discussing a question of titles, there will go abroad throughout the Dominion the impression that a good deal of the discussion in this house is unreal. Imagine, when corporations are asking the privilege of developing the St. Lawrence waterways, when this matter which is of such vital importance to Quebec, Ontario and in fact, to the people of western Canada, is placed before the cabinet, the house is informed that it is to be denied the right of discussion in regard to it! An impression of that kind is not good for the prestige of the House of Commons.

Mr. MACKENZIE KING: I should like to know if we are discussing the question of titles or if we are considering some other subject.

Mr. HEAPS: I realize that the question may not be altogether to the liking of the Prime Minister at this particular time.

Mr. MACKENZIE KING: Oh, not at all. I thought possibly I was mistaken as to my hon. friend's intention. I really do not know whether he is debating the motion of the hon. member for St. Lawrence-St. George or taking up a different subject.

Mr. HEAPS: I am just comparing the actions of this house and I am sure the Prime Minister cannot object. I am comparing the time given by the house to the discussion of a question in which very few people are interested and the fact that the Prime Minister denies to us the right of discussing a much more vital question.

Mr. MACKENZIE KING: I do not wish to interrupt my hon. friend, but may I say that the Prime Minister does not and cannot control the procedure of the house. The procedure is regulated by the rules, and the hon. member has rights under the rules to discuss any question, including the question my hon. friend has raised, but he must do so according to the rules as they have been determined by the house itself.

Mr. HEAPS: The rules of the house will permit the government if they so desire to submit the question of the development of the St. Lawrence waterways to the house, but if they do not submit it, we have scarcely an opportunity of discussing it. Therefore I made that comparison and I do not intend to dwell on it, because now is not the time to do so; but I hope within the very limited scope that private members have in the house, some means will be found of discussing more vital questions than that with which the time of the house is being taken up at the present time.

To come back directly to the question raised by the hon. member for St. Lawrence-St. George, I endeavoured to understand the motive of the hon. member in bringing his resolution before the house. I do not think I do him an injustice when I say his motive is to secure for the people of this country the privilege of having titles conferred upon themselves under conditions similar to those obtaining in other countries. Another motive for bringing forward this particular resolution may be attributable to the fact that on a recent occasion the hon. gentleman received from his

alma mater certain honours which, I think, were given quite rightly and which, I am sure, all hon. members are happy to find the hon. gentleman a recipient of. No member in this corner of the house objects to titles of that kind being conferred upon people in this Dominion. In fact, the resolution that was passed by the house in 1919 has not prevented those distinctions from being given to those people who deserve them; but if I had to look for an answer to the mover of this particular resolution, I would refer him to the speech delivered by the hon. member for St. Lawrence-St. George (Mr. Cahan) on Tuesday. In his speech he said:

> There is something in human nature that is urged to the utmost endeavour and to the extreme of self-sacrifice by incentives such as these. I will give you an instance, a matter of personal interest to me. I believe my name was submitted once for distinction which I felt that I could not accept—perhaps that is the way I should put it.

I claim that action of the hon. member for St. Lawrence-St. George is a sufficient reason why the house should not adopt his resolution this afternoon. I do not think that because the hon. gentleman did not see fit to accept the honours that were proposed to be given to him, he is to-day any worse a citizen than he was ten years ago. I believe, in spite of the fact that he could not accept a title of distinction, he is to-day rendering to the people of Canada just as good service, in the way he sees it, as he did ten years ago, and I do not think his incentive is one whit less because he declined the honour. Therefore I claim that the answer to the hon. gentleman's motion is given in his own speech of the other day.

We find that distinctions are being given to worthy people in this country. They may not be knighthoods or peerages, but nevertheless they are distinctions which, I think, are more highly prized than anything we might confer upon them by way of a title. A few years ago the house honoured a man who, I think, is deserving of great honour. I refer to Doctor Banting, the man who discovered insulin. The name of Doctor Banting to-day is honoured not merely in Canada, but, I believe, throughout the whole world. How much better would Doctor Banting be to-day if he had a title before his name or a few letters after it? He would not be one whit better than he is to-day, and I am sure he would not be giving any better service to the community than he is giving at the present time.

[Mr. Heaps.]

We who belong to the Labour party in this country object to the granting of titles, because we believe that the conferring of such titles creates classes in the community. We as a party have often been accused of creating class difficulties in the community, but let me assure the house that if there is one thing we wish to abolish, it is class distinctions. Titles create an aristocracy. There are different forms of aristrocracies. You may have a titled aristocracy and a moneyed aristocracy, but there is only one true aristocracy in any community, in my opinion, and that is the aristocracy of labour. The people who are performing useful service in the community form the real aristocracy of a nation, and that useful service is not necessarily performed by the man who works in the workshop or in the factory. Looking back to the distinctions that have been conferred upon people in the different countries; I would like to know what distinction either in Great Britain or Canada has ever been conferred upon a man who has given distinguished service to the labour movement, and yet the labour movement forms a very large part of the life of any community. When it comes to conferring distinctions, it is not the labour man who gets them. For everything that labour has to-day it has had to fight those who, as a rule, have been of the titled classes, and there has nothing come to labour without a very stern struggle. If you want to see what the results of granting titles have been, look at the British House of Lords, which to-day hardly commands the respect of the people of Great Britain. In 1911, the veto power which the House of Lords possessed was taken away because it had abused its privileges. How many labourers, I might ask, do you find in the House of Lords? All you find there is rank and wealth, with labour not having any show there at all, and that, by the way, is the result of the honours system as they have it in Great Britain. We have another form of second chamber in Canada. We have a Senate where people of distinction, I presume, are supposed to go when they have given service to the country. But what do we find in the Canadian Senate? I do not think anybody would care to claim that if the question of the abolition of the Canadian Senate were put to a vote of the Canadian people, the Senate would be retained. I feel satisfied that the people of Canada would vote for its total abolition. That is another result of the honours system as we have it in this Dominion.

I believe that one of the reasons the house adopted in 1919 the resolution which we are now asked to reverse was because

the people of Canada were sick and tired of the way people in this Dominion were receiving honours. Have things here in this regard changed very much in the past ten years? Are governments now so different from what they were ten years ago that we are likely to have any change in the conferring of these honours?

Mr. JACOBS: The hon. gentleman surely cannot compare this government with the government of 1919.

Mr. HEAPS: I notice both in this session and in the last session of the house a remarkable unanimity between the front benches on the two sides of the house, and on this particular question I find them both unanimous.

Miss MACPHAIL: We are due for another Union government.

Mr. HEAPS: I think it has been established beyond doubt that the people who have been the recipients of these honours have contributed fairly largely to the campaign funds of the old parties. This house a couple of years ago was asked to give the right to trades unions to contribute to campaign funds for election purposes, the House of Commons turned that motion down. I want to point out that whilst the two major parties, as stated yesterday by the hon. member for Labelle (Mr. Bourassa) can perhaps finance campaigns from that particular source, when the labour movement in this country asked that trades unions be allowed to contribute towards the election expenses of its candidates, the House of Commons turned the motion down.

In the year 1922, the British House of Commons appointed a royal commission to investigate this question of titles in Great Britain. Evidently there has always been some agitation over this question of titles. I might read to the house the names of the members of that commission, as I think it will be found interesting. The first gentleman was, as stated in this official report of the British government:

Our Right Trusty and well-beloved Counsellor Andrew Graham, Baron Dunedin, Knight Commander of the Royal Victorian Order:

This gentleman was appointed to investigate the question of titles in Great Britain.

The next member was:

Our Right Trusty and Right Entirely Beloved Cousin and Counsellor Victor Christian William, Duke of Devonshire, Knight of Our Most Noble Order of the Garter, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order.

He also was appointed to investigate the question of titles. The other members were:

Our Right Trusty and Well-beloved Counsellors:

Thomas, Baron Denman, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order:

Sir Evelyn Cecil, Knight Grand Cross of Our Most Excellent Order of the British Empire, and:

Our Trusty and Well-beloved:

Sir Samuel John Gurney Hoare, Baronet, Companion of Our Most Distinguished Order of Saint Michael and Saint George, Lieutenant-Colonel, Territorial Army Reserve, and

Sir George Croydon Marks, Knight, Commander of Our Most Excellent Order of the British Empire.

There is one other name which seems to be minus all these frills. It is put down here just as plain "Arthur Henderson". I do not know which of these names stands out as the most distinguished, but I would say myself that the one with no titles looks the best to me. This commission reported its findings, and while all the members of the commission with titles were unanimous on their side of the question, the man without a title brought in a minority report of his own, and that can be very readily understood.

The system of titles lends itself to a great many malpractices, and the very things that it lends itself to here in this Dominion have been quite evident in Great Britain. I will give you just one or two quotations. I shall not read from labour journals, so as not to be accused of bias, but I shall quote from what hon. members would probably call respectable journals like the Nineteenth Century, a magazine published in England, with which most members of the house are no doubt familiar. It goes back to many years ago, and shows how long-standing has been this question of titles which the hon. member for St. Lawrence-St. George seeks to bring back into this country. The Nineteenth Century of September, 1922, says:

Pitt was of opinion that any man master of £10,000 a year was worthy of a peerage, and did not mind saying so. Had he been pressed he would of course have added "that he knows his duty and how to spend his money". At any rate he acted boldly on this assumption and made little attempt, if any, at concealment.

That probably is the way the British House of Lords was partially filled in that period.

Peerages, baronetcies, knighthoods and lucrative offices in the gift of the crown,—all were clearly priced. "The proceeds," to employ his own humorous expression, "were used for the purpose of strengthening the administration."

How true is that even of to-day?

Peel held strong views on the question and vigorously denounced the manner in which the

peerage and every other distinction had been degraded by the profuse and incautious use which had been made of it. He went out of his way, however, to approve of Pitt's dictum and clearly stated that honours were properly used "in strengthening the administration."

There can, indeed, be little doubt that every prime minister since Walpole made definite use of this prerogative for the purpose of "strengthening the administration," though few, if any, of them were so incautious as to acknowledge that definite gifts to party funds constituted the practicable means of attaining this end.

That, Mr. Speaker, refers to conditions in Great Britain about seventy years ago.

Mr. CAHAN: Who is the author of that?

Mr. HEAPS: I believe the editor of this magazine.

Mr. CAHAN: The editor of the Nineteenth Century, Mr. Knowles?

Mr. HEAPS: Yes. What I have quoted will be found in the Nineteenth Century of September, 1922. In another part of the same article we find the following:

Many men in recent years have been given honours because they have fairly earned them; many on the other hand have not only not earned them, but are completely disreputable, some contemptible.

It is not alleged that those responsible for recommending them knew of their disreputability, past or present, but that the question of reputability or disreputability was not greatly agitated; it is alleged that those that received them did so either on account of payment into party funds or that the consideration was a promise express or implied to do so.

Now I quote from another article which appeared in the same magazine in February, 1923:

No system on earth can make the national honours list a perfect document, or anything like it. For one thing, the great men need no official titles. Would Shakespeare have created a greater Hamlet if Cecil had made him a knight? Would Chaucer have made better verse had he been an earl? Could Meredith have built more perfect prose if Lord Salisbury had made him a duke? Or again, was it likely that Lord Palmerston would have had the wit to see that Darwin should have been made a peer when he published the origin of species?

We have now, of course, got to the days when the honours list recognizes artistic and scientific merit. But unfortunately we have also reached the time when merit hesitates to recognize the honours list. Men now refuse titles as well as ask for them.

As my hon. friend from St. Lawrence-St. George does.

Within the last few years a novelist and dramatist of distinction awoke one New Year's morn to find himself by mistake a knight. He regarded it in a different light from the one in which it was offered—and hastened to wipe the stain from his honourable name.

[Mr. Heaps.]

Now, Mr. Speaker, I could go on quoting from articles which have appeared in the Daily Mail and other Conservative papers of Great Britain in regard to the Lloyd George election fund. But that is too recent history and, I believe, is well known to most hon. members; at least it is common knowledge how the funds were obtained. In fact some men to whom honours were given in return for large contributions to the campaign funds were accused of the utmost disloyalty to the British crown. One name in particular comes to my mind, a name that was freely discussed at the time he was made a peer. I refer to Lord Vestey. He made millions and millions out of the war, but to escape taxation he removed his headquarters to South America. Such is the type of men who have been honoured by titles in Great Britain. Possibly the same condition has not obtained in this country, and consequently I do not wish to say anything about our titled people; but at the same time I think it will be far better not to follow the practice.

Now, the hon. member who moved this resolution said he wanted equality. I am quite prepared to agree with him in that regard, I wish to see everybody put on an equal basis, but possibly our two methods are of an entirely opposite character. If we are to have equality—and it is complained now that foreign rulers are at liberty to confer distinctions upon Canadians while His Majesty is preclued from doing so—the way to bring about that equality is to see to it that no Canadian shall be allowed to accept foreign titles or wear foreign decorations. This will be a very simple method of insuring equality in this respect.

I do not believe, Mr. Speaker, that the recipient of a title, whether it be sir or lord or some other high-sounding distinction, is one bit better off, nor do I think is it to the country's advantage. I believe the greatest honour that any citizen of Canada can have is the confidence and the respect of those with whom he comes in contact. And surely that is all the honour any man could wish for. If any member of this house gives honourable and conscientious service to his constituents, he is bound to be honoured by the community in which he resides, and I do not think it is necessary to honour such a man with a peerage, a baronetcy or any similar title. The man or woman who enters public life with the hope of securing a title of honour is the least deserving of reward.

Therefore, Mr. Speaker, this House of Commons having in the year 1919 passed a resolution renouncing titles, and there being no

particular agitation to have that resolution rescinded, I think that this motion should not be entertained. The government, if it sees fit, can use the discretion conferred upon it by the resolution of 1919 and abolish all titular distinctions. I do not mean that distinctions earned by those who have distinguished themselves in science or art or literature should be interfered with; they are entitled to whatever honours our universities may confer on them. Far be it from me to stop those institutions from honouring their sons and daughters who have given their best to their country; but I hope that those titles which confer a certain class distinction will never be revived in this Dominion.

Mr. H. B. ADSHEAD (East Calgary): It is not my intention to be censured by the hon. member who has just spoken (Mr. Heaps) for taking up the time of the house when it might be more properly occupied in the consideration of matters of greater importance. We both, perhaps, may err in that respect. However, I have a brief contribution of about ten minutes to make to the question at issue.

I was lead to believe, from the resolution of my hon. friend from St. Lawrence-St. George (Mr. Cahan), that it applied simply to the question of foreign decorations and distinctions; but upon reading the hon. gentleman's speech I find that there is implied, not only the question of decorations and distinctions from foreign lands, but also the re-introduction of titles to be granted in Canada by His Majesty the King. The hon. member labours very much the king's prerogative; he mentions the king's prerogative a number of times. In one passage he asks:

> Why. . . should His Majesty be denied the exercise of his prerogative. . . to confer titular distinctions or decorations upon persons who have rendered such distinguished services?

We see, therefore, that the hon. gentleman had in mind not merely the regulation of foreign distinctions and decorations but the re-introduction into Canada of titles from His Majesty the King. Further on in his speech my hon. friend says that action must be taken in the ordinary constitutional way, by the advice of His Majesty's ministers in Canada of the government in power. If that be the case, it simply means, as has been pointed out, a return to the old system of patronage; and the government, having it in their hands to confer titles upon whom they will, will confer them most likely, as was done before, on persons particularly favoured.

This aspect of the question has been traversed both by my hon. friend from Labelle (Mr. Bourassa) and by the hon. member for Toronto Northwest (Mr. Church), and I do not propose to discuss it in that direction. The suggestion is made that titles should be given "for services rendered." When this matter was under consideration in 1919, this phase of it, with reference to services rendered, was dealt with at very great length in the house, and I propose for a few minutes now to give you some of the ideas of the gentlemen who took part in that debate—gentlemen on both sides of the house, including Liberals who were in the Union government. There are now one or two hon. gentlemen sitting to the left of the Speaker who were members of the government at that time. Speaking about service, Mr. Nickle gave expression to the true idea when he made this statement:

> I said that you cannot measure sacrifice and you cannot measure service. As I stand here this afternoon speaking to this house I see a woman in dull black who came into my office some five or six months ago and told me that she was a widow; that her only son, who had gone to the front, had been killed. She said: "All I ask is that you get me a picture of the cross that marks his grave in Flanders' fields; I shall be content to have that as a memento that he did his duty in a time of national peril and in a time of world crisis." Could you measure that woman's sacrifice and service as against the sacrifice, if needs be, and probably the service, of hundreds of men who stayed at home and did their best, but whose best was incomparably less in sacrifice than the sacrifice that this widow made in giving her only son to a great cause?

That was the idea of Mr. Nickle and of the house at that time: after such a catastrophe as the Great war it was impossible to measure the service and the sacrifice of those who had participated, and to confer distinctions on all those who had come to the country's aid. Let me now quote five lines from the speech of another hon. gentleman in the house at that time—the gentleman who now occupies the distinguished position of Speaker. Mr. Speaker said:

> Sir, in this war the private was a knight, in my judgment, as much as a colonel, the major or the general. They were all knights and if you make a distinction,—

You will see that the hon. gentleman was opposed to the conferring of distinctions and decorations.

> —I say that the greatest knights of all are the dead. Where are the decorations for the dead?

This is the question he asks; and he answers the question himself. Their decorations are crosses, white crosses in Flanders' fields. A

little after that, by way of change from the more serious side of the matter, an hon. member quoted in the house on that occasion a poem or ode which might very well be repeated in this house to-day. There were a number of orders then, as there are now, such as the G.B.E.; K.B.E.; D.B.E.; C.B.E.; M.B.E. and finally O.B.E., which so many people have after their names to-day. This is the ode:

I knew a man of industry
Who made big bombs for the R.F.C.
And pocketed lots of L.S.D.
And he (thank God!) is an O.B.E.

I knew a woman of pedigree
Who asked some soldiers out to tea
And said, "Dear me!" and "Yes, I see",
And she (thank God!) is an O.B.E.

I knew a fellow of twenty-three
Who got a job with a fat M.P.,
Not caring much for the infantry.
And he (thank God!) is an O.B.E.

I had a friend, a friend—and he
Just held the line for you and me,
And kept the Germans from the sea,
And died without the O.B.E.
Thank God!
He died without the O.B.E.

I have one more reference to make and I am through with what little I have to say. I trust that the right hon. gentleman who occupies the position of Prime Minister (Mr. Mackenzie King) will follow this carefully, inasmuch as it has particular reference to some of his forbears. Speaking in the house, Mr. Richardson, the member for Springfield at that time, gave utterance to these remarks, of which all Liberals might very well take cognizance. He said:

Yes, and you might add to theirs the name of that other great Canadian, William Lyon Mackenzie, to whom this country owes far more than the average citizen dreams of to-day. Because the people have short memories and I find that we Canadians make a great mistake when we fail to study the lives of the men that served us. Think of William Lyon Mackenzie, who fought for representative and responsible government, who fought against the old Family Compact, a man with Scotch blood in his veins who refused to be domineered, who stood nobly for right and principle, and was willing even to place his life and liberty in jeopardy by entering upon rebellion against what he considered the wrongs of the day. Perhaps he was mistaken—I would certainly in the light of history and of developments not like to venture the idea that he was mistaken—but he took the consequences of his act, and it is to William Lyon Mackenzie that this Dominion owes so much at the present day. Driven from his own country he became an exile in a foreign land for years, often going for days if not weeks without food. He was without friends, without a man to say a kind word to him. Then an amnesty was declared, and he returned to Canada and died a broken old man.

[Mr. Adshead.]

Would it endear the name of William Lyon Mackenzie to the people of Canada if a knighthood or any other honour that a human potentate might control had been conferred upon him? Not at all. The memory and name of William Lyon Mackenzie to those who have studied and appreciated his life and work will live as long as Canadian history lives. These are the men who are entitled to honour, the men who spurned anything that kings could do for them, the men who fought for principle and placed their lives in jeopardy. This nation little dreams how much it owes to men like William Lyon Mackenzie and as a Canadian I would deeply deplore the conferment of any title that a human potentate could confer.

I hope my right hon. friend the Prime Minister will take note of the actions of his forebears. To attempt to confer a title upon men who have rendered a real service is like painting the lily or trying to gild refined gold.

Mr. J. L. BROWN (Lisgar): At one time I felt somewhat disposed to vote for the resolution now before the house, but the trouble is that the resolution contains too much. If it were limited to the subject mentioned by the leader of the opposition (Mr. Bennett), decorations for services rendered, I could heartily subscribe to it, but I am entirely opposed to anything in the way of titular distinctions; I am opposed to them because they have a tendency to create class distinctions. We may not think that danger very serious, but it is a problem we must face, and perhaps I can give an illustration which came to my knowledge. On one occasion a certain titled lady in a certain town, speaking to another lady whose husband recently had been created a knight, said, "Oh, I am so glad that now you have become one of us." It is that "one of us" spirit which we do not want to encourage. Perhaps I might be permitted to place the situation before the house in the words of one whose birthday we celebrated only last month. The leader of the opposition made a very apt quotation a few days ago from a famous Scotch author in eulogy of the old country doctor, and when you want to express yourself in terse and emphatic language you cannot do better than go to the good, broad Scotch. I would like to recall to your minds the words of that great Scotch poet, Robert Burns, who wrote:

Ye see yon birkie ca'd a lord,
Wha struts, an' stares, an' a' that;
Tho' hundreds worship at his word,
He's but a coof for a' that:
For a' that, an' a' that,
His ribband, star, an' a' that:
The man o' independent mind
He looks an' laughs at a' that.
A prince can mak a belted knight,
A marquis, duke, an' a' that;

But an honest man's aboon his might,
Gude faith, he maunna fa' that!
For a' that, an' a' that,
Their dignities an' a' that;
The pith o' sense, an' pride o' worth,
Are higher rank than a' that.

Mr. GEORGE SPOTTON (North Huron): Mr. Speaker, if I could be sure that there would be a vote on this resolution I would not even take ten minutes of the time of the house, as I propose to do. However, I just wish it to be known to this house and to the constituency which I represent that I am not in a position even to flirt with this matter.

This question was settled by my party in 1919, and I have heard no person in my county or in the province of Ontario express any desire to return to medieval times. This seems to be an innocent matter when we are asked simply to refer the question to a committee for consideration, but there may be leaders of parties who perhaps discern the psychology of the situation. In an old school book there was a verse which read like this:

Vice is a monster of so frightful mien,
As, to be hated, needs but to be seen;
Yet seen too oft, familiar with her face,
We first endure, then pity, then embrace.

These advocates may think that this session we will endure, next session pity and the third session embrace.

If in my remarks I leave the track, Your Honour will call me to order, but I remember a New York paper which, before the United States went into the war, was neutral —so neutral—that it did not care who licked Germany. If there are men taking part in this discussion who are so neutral that they do not care who restores these titles, I must say once and for all that I am opposed to any such restoration. I have been in this house only a short time, but I have never seen the leader of the administration seize with such avidity upon any suggestion coming from this side of the house. I have seen the Prime Minister, in my own constituency, smile blandly and serenely on two men speaking from the same platform at the same meeting, one making a free trade speech and the other pleading for protection. As far as I am concerned I propose that my people shall know where I stand, and I will not be a party to pulling the chestnuts out of the fire for this administration.

In 1919, when men were rendering the greatest service men could render their country and their empire, this house did away with titular distinctions, presumably almost unanimously. In my constituency, Mr. Speaker, I have mothers who have given one, two, three, four and five sons for the empire, and I will never vote that they shall bow the knee and call some other woman lady. The mothers, the wives and the daughters in my constituency are all ladies, and they never shall be placed in a class lower than that of some other lady who happens to be married to a man who, for reasons best known to himself and to those who confer these titles, has received such a distinction. My mother, my wife, my daughter; the mothers, the wives, the sisters and the daughters of my constituency never shall say that I cast my vote to place them in a lower class than any other woman in this fair Dominion. It may seem to be an innocent matter to refer this question to a committee, but we have a member of this house bringing forward another innocent resolution to change the old Union Jack. Do you think, Mr. Speaker, I could vote for any such recommendation and still play fair and be honest with the people who elected me? In my constituency they do not take stage fright even when three, four, or five cabinet ministers attend a meeting; in such cases less than fifty people will turn out, but when a commoner comes along a few nights later he is greeted by 300, 400 or 500 people.

There has been some laboured argument about foreign kings and potentates granting titles to Canadians. I think that matter was fairly dealt with in 1919, and if the Sultan of Turkey wishes to bestow any little decoration on any member of this house he can have his sounding brass and his tinkling cymbal, pleased with the rattle and tickled with the straw. If they wish to wear their little past master's jewels about their necks I have no objection, but in my constituency "Jack is as good as his master."

I shall not take up more of the time of this house. This is a question on which a student of history might speak for some time, but in Canada we have the titles of "Honourable," and "Right Honourable," "Mister" and "Esquire," and if the title "Mister" is not good enough for any man he can tack "Esquire" after his name. In the name of the noble band of men and women in my constituency, the descendants of the real makers of Canada, the descendants of those early pioneers who fought the great battle of the forest—

Those worthy sires who bore
The day's first heat, their toils are o'er.
Rude fathers of a rising land,
Theirs was a mission truly grand.
Brave peasants, by the Father God
Sent to reclaim the stubborn sod,
Well they performed their work and won
Altar and hearth for the woodman's son—

I can only say that until the government of Canada raises memorials to those pioneers and to the men who fought and bled in Flanders, and to the mothers who spent the sleepless vigils at home, I shall not be a party to granting any titular distinctions or creating any caste system in this fair Dominion of Canada.

T. W. BIRD (Nelson): Mr. Speaker, I would like to point out that not only in 1919, but as recently as 1923 this house decisively set its face against the bringing back of titular distinctions into Canada. In the session of 1923 this house was almost unanimous on that question. I think it is a very significant thing that this question should have been raised on three previous occasions only. These occasions are very significant.

In February of 1914, this question was raised in this house, and the motion to banish titles from Canada was not even seriously debated. The representatives of the people of Canada were almost unanimously in favour of titles just a few months before the Great War. In 1919, only a few months after the armistice, the representatives of the people of Canada were almost unanimously against titles. What had happened in the meantime? We all know what had happened; we know that Europe and the world had been turned upside down and that many ancient ideas of medieval origin were put into the discard during those years. Our eyes had been opened in 1919 and Canada, England and the civilized world realized for the first time what were really the sound values in life. They also perceived that the tragedy of the Great War was due in no small way to the medieval conceptions and ideas which had cluttered up our civilization before the Great War.

It might seem to us that we should not be engaging the time of the house regarding titles, but I do not think it is a small thing. I cannot but look upon an attempt of this kind, however sincere its immediate motive may be, but as an attempt to bring back again some of those medieval ideas which were banished from the world by the Great War.

We all know the mood we were in, in 1919. Parliaments were meeting to consider the work of reconstruction; they said to themselves, "This is the only way we can honour the men who laid down their lives, begin to reconstruct upon the foundations they have cleared for us. They have cleared away the debris and the effete notions of centuries and have left the way clear for us to reconstruct." Some of the debris still existed, and one of the first things the Canadian parliament did in the way of reconstruction was to banish titles. I am sorry to say it was about the only thing they did in the way of reconstruction. It was the one result of their efforts at reconstruction and now the wolves of reaction are after it. They want to bring back that effete, medieval idea into this enlightened, democratic country.

It is claimed that merit should be recognized. I take exception to that statement; true merit does not require distinction. When Doctor Banting discovered insulin there was no artificial label that we could tack on his coat that would have heightened the sense of merit. I would like to leave this question of recognizing merit to our scientists themselves. Call the scientists of Canada together and ask them if they want this tinsel. It is contrary to the scientific spirit. Ask Doctor Banting himself if he wants his good name cluttered up with these effete signs. No scientist wants to be raised to a pinnacle above his fellows. Doctor Banting's discovery was but the last link in a long chain of discoveries. He and his colleagues were working on the results of discoveries of scientists who had worked before them, or who were working simultaneously with them. There is not a living scientist of any merit who wants to decorate himself with these peacock feathers which can be granted by parliamentary or governmental sanction. Not only does merit not require distinction after it has made its achievement, it does not require it before. By calling Doctor Banting "Sir" you might be adding a colour to the rainbow or painting the lily, but I rather think you would be besmirching it. You would not be adding one incentive to Doctor Banting for further discovery, because all the incentive he needed he already possessed. He was endowed with the scientific spirit which pushed him on regardless of all artificial tags we might pin on him.

The only way to encourage science is to give it bread, or the equivalent of it; give it leisure, or the equivalent of it. If this parliament wants to help science, let it free science from its bonds. There is no parliament in the world meaner to its scientific men than this one. If this parliament is sincere in its desire to further scientific discovery, let it begin at home and treat the scientific men in such a way that they can be free of all responsibility.

Mr. JACOBS: Will the hon. gentleman permit me to say that this parliament is contributing $7,000 per year to Doctor Banting.

Mr. IRVINE: That is better than a title.

Mr. JACOBS: Certainly.

Mr. BIRD: With respect to Doctor Banting this house has acted with praiseworthy generosity. Let me proceed to stigmatize this motion once more. This idea of bringing titular distinctions back to Canada—and I do not care whether the title is before the name or after it—is just a revival of ideas that ought to have been banished from this world hundreds of years ago. They have existed only by their appeal to human vanity or else they would have vanished. Human vanity is the enduring thing and anything that appeals to it unfortunately endures with it. That is why these things have endured.

I sometimes think prefixes and suffixes are just like an appendix: they are the survivals of conditions that have long ago vanished. When we were climbing trees and eating the fruit from the top branches, an appendix had a function to perform, but in these civilized times an appendix is a liability and not an asset to any human being. It is liable, by its very existence, to upset the order of the body. It gives the doctors their chance. These prefixes and suffixes, these sirs and dukes and lords and LL.D's and D.D's all belong to the same order of things: they originated in medieval times and were meant to indicate class distinctions, those good old times when they prayed Heaven that they might be made content to stay in the position in which it had pleased Providence to call them. Those were the cast-iron, water-tight distinctions of medieval times. They had some excuse then. Probably civilization might not have escaped the chaos that followed the downfall of the Roman Empire if society had not been crystallized into these hard and fast distinctions. But what reason have we to perpetuate these class distinctions now?

I should like to compare the obligations which attached to those distinctions in their origin with those that are associated with them now. In the good old days of knighthood, which Tennyson so picturesquely tells us about, to be a knight meant to right wrongs, to defend the weak, to serve God and to honour the king. Whoever heard of a knight, or one of those vain Canadians that are lusting for knighthood, righting wrongs, or defending the weak, or fearing God, or honouring the king? Why, they dishonour the king. The hon. member for St. Lawrence-St. George has just revealed to us that these knights or these distinguished Canadians are so vain that they defy King George. King George has graciously conceded to Canada that no more titles shall be worn by Canadians and yet they have smuggled them in. Some third-rate power, somewhere in the world, has endowed some more or less worthy Canadian with a star or a ribbon and that Canadian, in his swollen vanity, has defied King George, has defied the Canadian government. Loyalty versus vanity! Yes, they do not honour the king; they dishonour him.

In conclusion let me repeat that these relics of times gone by are a menace to the body politic. I do not think this is an unimportant question. In that regard I disagree with the hon. member for North Winnipeg (Mr. Heaps). I sometimes think we have a lack of sense of proportion in regard to matters which come before the house. This is an important question; it strikes at the very root of progress. If you are going to allow this reactionary spirit to creep back into Canada; if this house is going to open the gate ever so little, you are going to enervate the arm of progress; you are going to clutter up the ideals that we have been entertaining for a few years. It is a very important matter and what the hon. member for Labelle (Mr. Bourassa) told us the other day out of his personal reminiscences, struck one as being almost terrible in its significance—to think that in times gone by Canadian governments, under the leadership of men who were truly great, have been so venal that they would sell positions in the Canadian Senate to those who were capable of paying the price. It does not matter what more is said or revealed in the course of this session; that one revelation stands out as the most significant—to think that the greatest men of our past history should have such an imperfect ethical conception that they would use democratic institutions as matters to be bought and sold, thereby endangering the welfare of the people of Canada. If you are going to put into the hands of the government of Canada—I do not care who is at the head if it; I do not care if the Archangel Gabriel is taken in as private secretary—something to give away that is of value to the rich men of the country, you are going to open the way to the defeat of the will of the people. There is no other way of looking at the question. Moreover, you are going to encourage the development of an atmosphere in which it will be very difficult to conceive, let alone carry into effect, anything of a democratic character, an atmosphere creating a class distinguished by great names who will form a society within which there will be mutual recognition. This more than anything else will enervate the spirit which has been manifest in Canada for

the past number of years, a spirit which has been determined to make the will of the people effective in this house. Therefore, Mr. Speaker, I am opposed to the resolution going to the committee.

The house has not yet heard in a frank way what is the principle of the motion. Is it that the committee should honestly set to work to tighten up the conditions so that nobody anywhere in Canada can any longer wear these titles? Is that the idea? I do not think anyone of us can so interpret it. The idea of this motion, as interpreted by the speech of the mover, is that this committee should so canvass the situation that somehow or other, without unduly shocking the public opinion of Canada, there should be a return to the idea of merit and titular distinctions. If that is so, and I cannot see how it can be otherwise, surely we are not going into a committee to try and prevent these people from wearing these badges—these vain empty-headed Canadians who will wear these peacock feathers. Surely this parliament is not going to lower its dignity by setting a committee in motion with the idea of counteracting the vanity of certain Canadians, of whom there may be only half-a-dozen after all, whose honours may not be worth considering. I know that when the hon. member for Vancouver South (Mr. Ladner) brought in his motion in 1923 in regard to Dr. Ashton, it was the order of the Legion of Honour that was in question. There was a great power, France, which, when it discovered there was a ban on titles in Canada, acted as a great nation should, and as a great nation only can, and in a spirit of international courtesy, France said: We cannot deliver the Legion of Honour to a Canadian citizen. So I am sure that it is only some little back-woods nation in, perhaps central Africa, that is bestowing these orders, and why should we worry one moment because some Canadians we have never heard of are determined to wear these orders in spite of anything this parliament or King George has said?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): From some of the speeches which have been delivered in the course of this debate, one would almost think that there was somewhere a proposal to restore titles in Canada. Looking over Hansard, in order to ascertain the true situation, I find that only one member who has addressed the house thus far has indicated even a qualified support of the idea of reintroducing titles into this country, and that was the hon. member who moved the resolution (Mr. Cahan), and he spoke in moderate terms. But all who have followed him from either side of the house have I think expressed very clearly what I am sure all of us believe to be the will of the people of Canada, which is that titles should not be restored in this country. When that is the case, why should we, in addressing the house attempt in any way to misrepresent the situation? I would not have spoken at this time were it not for the remarks of the hon. member for North Huron (Mr. Spotton), who endeavoured to put into the mouth of the Prime Minister words which he did not utter, and endeavoured to attribute to the Prime Minister a desire to see titles restored in this country. Not only do the Prime Minister's own words not permit of that construction, but I am in a position to say, knowing every member of the government, that not one member of the government is in favour of restoring titles in Canada, and the Prime Minister least of all.

[Mr. Bird.]

Mr. MACKENZIE KING: Hear, hear.

Mr. DUNNING: The remarks of the Prime Minister on the subject and the remarks of the hon. leader of the opposition were perfectly proper; they dealt with the subject matter of the resolution, which asked for a committee to consider and report upon the advisability "of qualifying, amending or rescinding the address to His Majesty." All of the speeches to which we have been listening for the past few days bear upon the possibility of that one word "rescinding" being uppermost in the mind of the committee, if and when it is appointed, when, as a matter of fact, every member of this house knows that if such a committee were appointed, the last thing it would consider recommending to this house would be the restoration of titles. Whatever qualification it might introduce by way of getting rid of some of the anomalies referred to by the mover, or the Prime Minister or the leader of the opposition, anomalies which are well known to all of us, it is unthinkable that a committee of this house in this day and generation should bring in a report which would indicate a desire on the part of this House of Commons that titles should be restored in Canada. That is not debatable, indeed, because as I said at the outset, the only member thus far speaking who had supported that idea is the mover of the resolution himself.

Mr. CAHAN: Where do you find that in my speech? I cannot find it.

Mr. DUNNING: My hon. friend denies it himself, and I accept his denial. I have the words here that he used; they are very moderate, and if he will permit me, I will read them. He said:

> For myself I am of the view, having regard to His Majesty's position in the government of this Dominion as well as of the empire, that this House of Commons should not restrict and in fact prohibit His Majesty, in the exercise of his prerogative, from conferring distinctions and decorations upon his subjects in Canada who have given distinguished services to the state or to society.

Mr. CAHAN: I said nothing there about titles.

Mr. DUNNING: My hon. friend was not referring there to titles?

Mr. CAHAN: I said nothing about titles at all.

Mr. DUNNING: If my hon. friend was referring only to distinctions, I beg his pardon.

Mr. CAHAN: The hon. leader of the opposition made that so distinctly clear that there should be no doubt about it.

Mr. DUNNING: I have not been accustomed to regard the hon. leader of the opposition as always speaking for my hon. friend from St. Lawrence-St. George.

Mr. CAHAN: I am glad to say that he did on this occasion.

Mr. DUNNING: I was only taking my hon. friend's own words, and I am sorry if I did him an injustice. Perhaps he will forgive now that I have given him an opportunity to correct me. There is of course a difference between a title such as Sir or Lord, and a distinction which appears only in the form of letters after a person's name, such as many hon. members are now in a position to write after their names. It does seem rather anomalous that while universities have the right to confer the kind of distinction involving letters after one's name, His Majesty the King apparently is not desired to grant distinctions involving the same thing. That is one of the anomalies which might justify consideration by a committee. On the other hand, might I with all respect point out that this House of Commons can scarcely with propriety say to His Majesty that we desire him not to grant one kind of distinction, but that we shall be very happy if he will grant some other kind of distinction which lies within his power. I doubt very much if it would be courteous on our part, to say the least, to indicate to His Majesty the kind of distinctions that we would be willing to accept, as well as those distinctions that we do not desire should be conferred on British subjects resident in Canada.

My own view is that this committee should not be appointed. It is very evident—I am not impugning in any way the motives of my hon. friend for St. Lawrence-St. George—that an effort will be made to convey the impression in the committee, if it is appointed, just as my hon. friend from North Huron did in his address a few moments ago, that the government of Canada is desirous of bringing back the bestowal of titles, when, as a matter of fact, nothing is further from the truth. Personally I intend to vote even against the setting up of a committee.

Mr. PETER McGIBBON (Muskoka-Ontario): It is not my intention to occupy the time of the house very long; in fact, it seems to me, after the speech of the Minister of Railways (Mr. Dunning), that the government and its followers are wandering into the bush so far as this resolution is concerned.

As one who supported the abolition of titles in 1919, it does seem to me that the present resolution of the hon. member for St. Lawrence-St. George (Mr. Cahan) is quite in order. I think that in 1919 we were affected more or less with a kind of war hysteria, and we were led to do some things that possibly might better have been left undone. I do not wish to be understood for a moment as supporting titles as we ordinarily understand them in this country, but I do think that this parliament went too far when we deprived ourselves of all our power to do honour to any of our own citizens. It seems to me to imply a lack of courage and a lack of confidence in ourselves when we are constantly surrounding ourselves with a hedge of prohibitions so that we may do no wrong. The name of Doctor Banting has been mentioned frequently in this debate. I do not know what right these hon. gentlemen have to speak for Doctor Banting, but when hon. gentlemen get up here in parliament and make rash statements such as have been made here today regarding Doctor Banting, statements such as the hon. member for Southeast Grey (Miss Macphail) made regarding the men who won decorations during the war, they should back up their statements with proof. The mere statement of an alleged fact in this house does not make it a fact. I have never discussed the matter with Dr. Banting. I know he has been honoured by various universities, and he has graciously accepted those honours. But when a man has made one of the greatest discoveries in the history of the world, something that men

were seeking even when Christ was on earth, it seems to me regrettable that as a nation we are absolutely powerless to recognize his worth. It is true we granted him a few paltry thousand dollars. If he had commercialized his discovery he could have been a multi-millionaire overnight. So we have done little or nothing in recognition of his great discovery.

I grant you that in the past the conferring of titles has been abused, but I firmly believe that the people of Canada are quite capable of exercising wise, sane and judicial discretion in honouring those citizens who have so signally benefited their native land. We passed the resolution of 1919 because in the background we were led to believe there were thousands and thousands of people waiting for war decorations, people who had never been at the front but had been occupied in war work here or in England. That was largely the argument used when we passed that sweeping resolution. To-day we find it is full of anomalies. As one who supported that resolution, I think those anomalies should be removed, and for that, if for no other reason, this motion should go to a committee. It is ridiculous to my mind that foreign decorations should be worn by Canadians and yet His Majesty King George be precluded from conferring similar decorations on our citizens. The situation is so absurd that it should be remedied without delay. Little as I think of this government, and anxious as I would be to see it put out of office, I would not be afraid to trust it to recommend to His Majesty the bestowal of honours, subject to certain safeguards that might be set up by parliament. I think that right should be inherent in the administration of the day. To my mind it belittles the dignity of this country that we should be so helpless that we cannot recommend the sovereign to honour those Canadians who have achieved so much for humanity.

As one without any ambition and without any hope in this regard, I sometimes wonder what is in the back of people's minds when they are so opposed to the merit of others being recognized. Is it a spirit of jealousy because they have fallen behind in the race of life that they are so anxious to withhold all reward to others? Or are we so democratic that we want to make everybody conform to the same standard as though turned out from one mould. Everybody knows that that cannot be done. We are born unequal. If the human race would grasp that fact, that at birth we are limited intellectually and cannot overcome the handicap, I think it would add much to our contentment and happiness.

Consequently we should not become afraid of this question as the Minister of Railways (Mr. Dunning) perhaps is. We should not be afraid to send this resolution to a committee to discuss. And we should not be afraid to discuss it in this house. I think this parliament should have power to recognize the meritorious deeds of its own people. I am utterly opposed to creating knights, to making class distinctions; but to say, no matter what a Canadian may achieve in the field of science, medicine, art, literature, that parliament can do nothing to show their recognition of such achievement, is putting a limitation upon its powers that we should not allow. Therefore, sir, I shall vote in favour of this resolution, so that the committee to be appointed may see if out of the resolution of 1919 something cannot be gathered that is sane, workable and fair.

Hon. J. W. EDWARDS (Frontenac-Addington): I shall take but a few minutes, Mr. Speaker, to touch on one phase of the discussion. I do not care whether people have titles or not; they are the same people. I want to express my disagreement with those who have gone into hysterics this afternoon in regard to class distinctions. I remember an expression of the late Sir Wilfrid Laurier, that he was democratic to the hilt, but when Her Gracious Majesty Queen Victoria saw fit in recognition of his great services to confer upon him a knighthood, he did not become less of a democrat. No person will say that Sir John A. Macdonald was less "John A." after he got his title of "Sir." So far as my limited experience and observation go I have been unable to see that the conferring of titles has made any particle of difference in those so honoured. To me they appear just the same ordinary individuals as they were before.

I intended to support this resolution for the reason that there are certain anomalies, which have been touched upon by the hon. member for Muskoka (Mr. McGibbon,) and which I think possibly a committee might be able to remove. But I do not know—I think perhaps there is a danger. Listening to the hon. member for Nelson (Mr. Bird) and some others who have expressed themselves in rather vigorous, if not violent, terms this afternoon, I think perhaps we should safeguard the country against the possibility of any titles being conferred upon such gentlemen. I do not think they would survive the honour.

Mr. STEVENS: You think it might be done inadvertently?

Mr. EDWARDS (Frontenac): Yes. Now, at times in the course of my somewhat extended political career I have felt, although I never had any desire for any person to call me Sir John, that if I had had conferred upon me some easily pronounced appellation, it might have relieved me from some other names that were not very pleasant. Perhaps that is one reason why some hon. members would like to have titles restored, so that when their friends or enemies could refer to them as Sir Charles, or by some other similar title, they might escape being called something worse. But in view of the statement made by the hon. Minister of Railways, Sir Charles Dunning—

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): —that the government has no intention of doing anything along this line, that they are absolutely opposed to it, and all that, I do not see it is any use proceeding further with this resolution. I would suggest that the hon. member for St. Lawrence-St. George (Mr. Cahan) make a graceful retreat and simply hand this over to the Prime Minister and say, "Go ahead now with your own game and let us see for once whether you can evolve something of a definite character out of this question, seeing that you have never done so in any other matter."

Mr. WILLIAM IRVINE (Westaskiwin): I will not make the speech I had prepared, because the remarks of the Minister of Railways (Mr. Dunning) render it more or less unnecessary. It is unfortunate that the minister did not take the opportunity at an earlier stage of the debate to indicate, as emphatically as he has just indicated to the house, how he regarded the resolution, and how members of the cabinet stood on the question at issue. I am quite sure that if this had been done there would not have been any of the hysteria to which reference has been made by a previous speaker. However, I wish to comment on this feature of the discussion. It is a simple matter for any member of parliament to speak upon an issue so guardedly that he may be placed on that side of the fence which discretion may subsequently render advisable, or, in other words, he may so protect himself by language that when he discovers how public opinion is going he can run for cover in either direction.

We owe a great deal to those hon. members who have been characterized as hysterical for having brought so clearly and plainly to the parliament of Canada and to the people of the country the absolute absurdity of this whole business. I am glad that the Minister of Railways has been so emphatic, and I am glad, if for no other reason than for the sake of those very hon. gentlemen—no doubt they are rare—who hold this medieval appellation regarding which so much discussion has been taking place. These men are almost the laughing stock of the general public, because the whole titular performance in Canada is looked upon as absurd. Indeed, I have known some good men who were lowered in the opinion of the general public because they had accepted the appellation. If they are big enough they do not need any distinction of that kind; and if they are not big enough then the stamp does not lend dignity to them. The title is only the guinea stamp: "The Man's the gowd for a' that." To those who wish to have honours conferred, let me say that the men and women of our time, as of other times, who are great enough to receive honours, are so great that we are unable to recognize them, and they will be long dead before we can tack letters on to their names; and as for the men who are so small as to require the stamp in order to appear honourable—well, they are far better off without them. As I say, I am glad that it is not necessary for me to make the speech I had intended making seeing that the matter has been buried by the emphatic statement of the Minister of Railways. I trust that for the last time we are burying this question in Canada, and I think we should bury it in the way the old lady buried the cat—face and nose downwards so that, if it ever comes to life again and starts to scratch, the more it scratches the deeper it will go.

Mr. C. H. CAHAN (St. Lawrence-St. George): As to my motives in drawing this resolution, may I say that I drew it in the broadest possible terms and in such a form that every phase of the matter might be discussed. But there is not one line in the resolution by which the house, in voting the resolution, would favour the conferring in the future, by His Majesty, of any titular distinction upon his Canadian subjects.

This matter was brought to my attention about two years ago when there were some instances in Canada of signal social service in connection with the St. John's Ambulance. I still have the correspondence in my room, and it shows that some simple decoration or distinction or medal which formerly had been granted in Canada for life-saving or for nurs-

ing service could not be awarded at present by the granting of any distinction or decoration or medal, even in Canada, by reason of the interpretation put upon the very broad resolution which was passed by this house and which included, in part, the address to His Majesty.

Personally I am not advocating that titular distinctions be revived in Canada; I am advocating that the humiliation and embarrassment which this house placed upon His Majesty in passing that address should be removed, especially as we know now, under the constitution as at present recognized, that His Majesty would confer no distinction, decoration or even medal upon his Canadian subjects except upon the recommendation and advice of the government of Canada which is responsible to this parliament and to the people of the country.

We are singular in Canada in this respect, that this is the only country in the civilized world—I believe it is the only country which for a century or more has pretended to civilization—which has no way at present by which the sovereign head of the state, on the advice of the government, can confer any distinction or recognition for public services of any character whatsoever.

I am not going to enter into a discussion of personalities which have been bandied across the floor of the house. The hon. member for Toronto Northwest (Mr. Church) suggested that I had better be devoting myself to the service of the working people of my constituency. Well, I have no desire to enter into a personal controversy, but I will take the hon. gentleman or any other hon. member of this house into my constituency and show him that I have been as assiduous in my duties, to serve that constituency in a social way, without reward or favour, as any member of this house. I have no desire to reply in kind to the hon. member for Southeast Grey (Miss Macphail). I have never in my life spoken one disrespectful word of any woman; therefore I cannot give a reply such as I would give to a male member of the house. Let me say, however, that Lord Beaverbrook, with all his great qualities and all his great frailties, has no more to do, and has had no more to do, with the price of cement in the northwest than the lady member for Southeast Grey has to do with the sale of women in the slave markets of Abyssinia. I dislike having these personal questions brought into these discussions.

In August last this same question was before the House of Representatives of Australia, and by a vote of 84 to 24 that house upheld the prerogative right of His Majesty to grant distinctions, titular or otherwise, upon his Australian subjects under the advice of the government of the day. Personally I have such confidence in any government of this country as to believe that no grave abuses would prevail if some recognition or decoration were awarded for public service in Canada, especially as that prerogative right of His Majesty will be exercised in respect of his Canadian subjects on the advice of his Canadian ministers, and not upon the advice of the cabinet at Westminster. There was a time when I heard objections to the granting of such distinctions in this country on the ground that it was a means by which the imperial government of that day sought to secure political support in the colonies, but that day has gone by long since, and the government of this country, in all matters pertaining to the legislative jurisdiction and the administration of public affairs in this Dominion, hereafter will have the duty and responsibility of advising the king in the exercise of his prerogative right in respect of his subjects in Canada.

I sincerely deprecate, from the bottom of my heart, the manifest tendency we sometimes see on public platforms and which has made its appearance in this house in the last two days, to debase and degrade the public life of this country by making covert insinuations against men long since dead, insinuations which would not be made were these men living and able to defend their reputations and their characters against all assailants. I have had a fairly wide acquaintance with members of this house on both sides, for a member who lives rather to himself and is of a more or less retiring disposition outside this chamber; I sat in the press gallery over forty years ago and listened to the leaders of that day, and I am making no attempt to throw bouquets to the members of this parliament on either side when I say it is my firm conviction that the men and the lady sitting in this house, the members of this house, are as sincere in their devotion to their public duties and as honest and conscientious in the performance of those duties, as the members of any preceding parliament that ever sat in Canada. While we may differ profoundly upon questions of public policy, I firmly believe that we are as sincere and devoted to the best interests of our country as may have been the case with any of our predecessors.

I never had the advantage of an intimate personal acqaintance with Sir Wilfrid Laurier. I have known the distinguished men on the Conservative side since confederation, but

I simply knew Sir Wilfrid Laurier by his charming courtesy, his artistic temperament and his intellectual vigour. I heard him in this house and on the public platform, and I knew of his sincere devotion to the performance of his public duty, of his simple life as a citizen of Canada and his great political and party achievements. Above all, I knew him as a Canadian statesman whose life now is and ever may be an inspiration to the youth of his province and of the whole Dominion to do their best to participate to the fullest extent in the public life of this country. Therefore I am not prepared to believe that this great man, whom I saw in the public eye, whom I heard on the public platform and with whom I had the pleasure of coming into contact a few times, although not intimately, prostituted and debauched the political life of this country in order to obtain a few dollars through subscriptions from possible appointees to senate seats. "After life's fitful fever he sleeps well," secure, I think, in the affection and esteem of the whole people of Canada. And as I am standing here I am sure that one of these days, when the present leader of this house will have passed away and when perhaps his successor, whom I am glad to see sitting in this house as the present leader of the opposition, will have passed away, the public recognition of their statesman-like qualities will be as profound as that recognition which has dotted the market places of our country as well as the grounds upon which this building is located with the statues of those who have devoted all that they had of time, of effort and of attainment for what they believed to be to the greatest advantage of Canada.

Therefore I say to the Minister of Railways (Mr. Dunning) that I cannot think he has deliberately reviewed and considered this question in all its aspects. Why should he be affronted simply because the hon. member for North Huron (Mr. Spotton) has made a strong speech against the revival of titular distinctions in Canada? I would go on the platform of the hon. member for North Huron and would point out to his constituents, who no doubt have a high intellectual capacity, that the nurse who attends her diphtheria patients, the policeman who risks his life to protect the lives of others, and the boy who jumps from the wharf to save the child who has fallen into the water and is drowning, cannot in Canada receive the recognition and approval of His Majesty for the valiant deed done for the good of humanity.

Mr. SPOTTON: May I ask one question? Did any of these people ever receive anything in the way of recognition from the home government?

Mr. CAHAN: Certainly they did, until this address was passed by this house, and I can give the hon. member the correspondence which shows that it has not been done since.

In this resolution I am not asking for the revival of titular distinctions or hereditary titles; I am asking that we consider whether the address which has been forwarded to His Majesty might not be reconsidered, so that, within the well-defined desires of this house and of the people of this country, certain decorations and distinctions might continue to be given by His Majesty the King to worthy recipients, or in the alternative, if that is not deemed advisable, whether we might not provide in this country some order of merit, of which they have two or three in our neighbouring republic, which might be bestowed on worthy citizens who have rendered great service, patriotic service if you will, to the social or political life of this country. That is all I am asking. Simply because one might make some objection to titular distinctions is no reason why this parliament should be afraid to consider this question in all its aspects and deal with it as intelligent men should. All the facts would be placed before the committee and subsequently come before this house.

Whether the present government remain in power or whether they are succeeded, as I hope some day they will be, by the Conservative opposition, I do not believe that in this day and generation it will be found that any prime minister of Canada will attempt to debauch the public life of this country by recommending for public distinction those who are expected on that account to give monetary contributions to political campaign funds.

The house divided on the motion (Mr. Cahan) which was negatived on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),	Cantley,
Anderson (Halton),	Cardin,
Barber,	Casselman,
Bell (St. John-Albert),	Chaplin,
Bennett,	Chevrier,
Black (Halifax),	Clark,
Bouchard,	Cowan,
Bowen,	Dickie,
Bradette,	Edwards (Frontenac-Addington),
Brady,	Edwards (Waterloo South),
Cahan,	Ernst,
Cannon,	

Fraser,
Geary,
Grimmer,
Guérin,
Guthrie,
Hanson,
Johnstone (Cape Breton North-Victoria),
Kaiser,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lennox,
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
MacLaren,
McGibbon,
Maloney,
Matthews,
Perras,
Pettit,
Plunkett,
Price,
Rennie,
Rinfret,
Robb,
Ross (Kingston City),
Ross (Moose Jaw),
Rowe,
Short,
Sinclair (Queens),
Sinclair (Wellington North),
Smith (Stormont),
Smoke,
Spence (Parkdale),
Stevens,
Stewart (Leeds),
Stirling,
Young (Weyburn).—60.

NAYS

Messrs:

Adshead,
Allan,
Beaubien,
Benoit,
Bettez,
Bird,
Bissett,
Black (Yukon),
Blanchard,
Blatchford,
Bock,
Boivin,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowman,
Boys,
Brown,
Cahill,
Campbell,
Carmichael,
Casgrain,
Charters,
Church,
Coote,
Cotnam,
Delisle,
Denis,
Desaulniers,
Descoteaux,
Dionne,
Dunning,
Dussault,
Edwards (Ottawa),
Elliott,
Esling,
Evans,
Fafard,
Fansher (Last Mountain),
Fansher (Lambton East),
Ferland,
Forke,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Gershaw,
Gervais,
Girouard,
Glen,
Hall,
Harris,
Hay,
Heaps,
Heenan,
Hepburn,
Howden,
Irvine,
Jenkins,
Johnston (Long Lake),
Kellner,
Kennedy,
Lacombe,
Lacroix,
Laflamme,
Lang,
Lapierre,
Letellier,
Lovie,
Lucas,
Luchkovich,
Macdonald (Glengarry),
MacDonald (Cape Breton South),
MacLean (Prince),
McLean (Melfort),
Macphail (Miss),
McDiarmid,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
McQuarrie,
Manion,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morrissy,
Motherwell,
Neill,
Power,
Ralston,
Rhéaume,
Roberge,
St-Père,
Sanderson,
Séguin,
Simpson,
Speakman,
Spencer,
Spotton,
Steedsman,
Sylvestre,
Taylor,
Telford,
Thorson,
Totzke,
Vallance,
Veniot,
Verville,
Ward,
Wilson,
Woodsworth,
Young (Saskatoon).—114.

[Mr. Cahan.]

RAILWAY ACT AMENDMENT

INVESTIGATION OF SUBSIDIARY OF TELEPHONE OR TELEGRAPH COMPANIES

Mr. G. R. GEARY (South Toronto) moved the second reading of Bill No. 6, to amend the Railway Act (investigation of subsidiary of telephone or telegraph companies).

He said: Mr. Speaker, except in its form this bill is similar to one which was introduced last year and which stood on the order paper without advancing beyond, I think, the first reading. It is designed to give to the Board of Railway Commissioners jurisdiction when dealing with an application for an increase of telegraph or telephone tolls to inquire into and investigate the affairs, including, but not so as to limit the generality of the term, the costs, prices, sales, profits and financing of any company, corporation or firm in which any telegraph or telephone company subject to the jurisdiction of the Board has in the opinion of the board a controlling interest as shareholder or partner, or otherwise, or of which such company, corporation or firm in the opinion of the board is a subsidiary, and to examine the books, accounts, vouchers and papers of the said company, corporation or firm.

The Board of Railway Commissioners has, it is granted, complete jurisdiction to inquire into all the affairs of a telephone company which is before that board on an application to revise the rates charged by the company in question to the public. But although the telephone company may be shown to have many millions of dollars of its profits or its moneys invested in another concern, of which concern it has absolute control, the railway board is estopped at that point from investigating as to the reward those moneys invested in the subsidiary company are obtaining, which reward will go to the betterment of the finances of the company under discussion.

I have in mind one case, that of the Bell Telephone Company of Canada, doing business in the provinces of Ontario and Quebec, whose rates were before the railway board for consideration. It transpired during the investigation of the affairs of that company that it controlled, by holding a majority of shares of stock, the Northern Electric Company; that it had invested in that company

a great deal of money which came from the coffers of the parent company, and that that company had made enormous amounts of money out of the sale of apparatus, to the extent of fifty per cent of its whole business, to the Bell Telephone Company, its parent. The question was raised whether the prices charged by the subsidiary company to the parent company were fair. The railway board was desirous of ascertaining whether those prices were fair or not, but the board found itself confronted with lack of jurisdiction to make any inquiry at all into the affairs of this subsidiary company. It took list prices, and as far as one can see from a list price, those prices compared favourably with what some other companies might have charged to the Bell Telephone Company. No objection could be made to list prices as such, because they were listed and one could not go beyond that, but it transpired that many elements entered into the business conducted between these two companies. Every hon. member knows well that the elimination of the cost of selling, advertising, sending out travellers, keeping uncertain quantities of stock on hand, and so on, goes to reduce very much the expenses of a company which is handling any goods. The board were not allowed to investigate this phase of the matter. Some members of the board said that they were anxious to get further information as to the affairs of the Northern Electric Company, but they found themselves estopped absolutely by the ruling of the chief commissioner that in point of law the board had no right to ask any questions as to the financial operations of that subsidiary or controlled company. I can quote from the record in that particular case what the assistant chief commissioner said when he ruled against the admission of evidence in regard to the affairs of the Northern Electric Company. He said:

> I expressed and I think a few members of the board also expressed regret not to have that information, but it was clearly left in the discretion of the Bell Telephone Company either to offer information on that point or not to offer it.

As a matter of fact, when that intimation had been made, the Bell Telephone Company in this particular case decided that it would be wise to give information to the board because it had been intimated quite clearly by at least one member of the board that they must bear the onus of not having disclosed information which, in the opinion of that member and other members of the board, it would be most desirable to have in the conduct of the inquiry. But the chairman ruled that under the Railway Act he could not go into these questions, on which as indicated in that passage, a member or members of the board desired to have information. All that is asked now is that the board be authorized to get that information from a company which is owned by a company at present under the jurisdiction of the board.

I am going into this matter somewhat more fully than I had expected I should be obliged to, because as a rule on the second reading it is either a question of the principle of the bill or nothing, and it is not quite in order to discuss clauses of the bill. If no objection is raised to the principle of the bill, I understand that as a rule the second reading is given. There can be no question of the government objecting to the principle of the bill, because in the speech from the throne there are put into the mouth of His Excellency words indicating that the government proposes during the present session to bring down legislation authorizing an investigation into the affairs of subsidiary companies. That is a wider provision than this, and if the government has it in mind to put on the statute book such legislation as is indicated in the speech from the throne, the greater will include the less, the less being the bill now before the house.

It may be urged that the bill is discriminatory in this respect, that it lays open to investigation by the board the affairs only of a company which is a subsidiary of a telephone or telegraph company, and not the affairs of a company which may be the subsidiary of any other company, such as a railway company, which is under the jurisdiction of the board. But the government, I believe, proposes to sweep that aside and make its legislation applicable to all companies under the Railway Act, so there can be no question involved as to the intention of this bill and the intentions of the government.

It does seem to me, if I may say so, anomalous that you may investigate the whole, that is, the affairs of say the Bell Telephone company, and you may not investigate the part, that is, the affairs of the Northern Electric Company, owned by the Bell Telephone Company.

The Board of Railway Commissioners found that the prices charged by the one company to the other were fair. I am not for one moment quarrelling with that statement so far as the information which was before the railway board goes, but the difficulty is that the railway board was obliged to consider the question and make a finding without having before it the necessary information

upon which a finding could properly be made. It is to remove that disability that this bill is proposed to the house.

I understand that objection has been made by the Northern Electric Company that it has been singled out to have an examination made of its affairs, and its costs—manufacturing costs and that sort of thing—exposed to the public. Under the proposed legislation of the government, whatever it may be, there will be no such invidious distinction as that, if indeed there be any invidious distinction at all. In these days of open and full inquiry before the tariff board, one finds no objection on the part of any company seeking the favour of that board to disclosing all its affairs for the information of the board. The day is long past when companies having to depend on the government for protection in the way of duty or remission of duty, or fixation of rates, object to giving full information on matters they would prefer to remain undisclosed.

The Bell Telephone Company has undertaken to expound its objection to this proposed bill in a series of advertisements, and that, of course, it has a perfect right to do. I shall not go through the whole advertisement except to say first, that the Bell Telephone Company says expressly that the Bell Telephone Company controls the Northern Electric Company by owning 51 per cent of the Northern Electric Company's shares, and that the company has a contract with the Northern Electric Company by which the latter sells equipment to the Bell Telephone Company at favourable prices. This is not the place to discuss that question, although one could, with some knowledge of the circumstances, perhaps hope to controvert the truth of that statement. At all events, it begs the question. The purpose of this bill is largely to find out whether that equipment is being sold at favourable prices, and to find that out by a thorough knowledge of what goes to make up favourable prices.

The Bell Telephone Company goes on to say that holding 51 per cent of the shares of the Northern Electric Company, it receives 51 per cent of the dividends paid. The information submitted to the railway board, and on the files of the railway board, and to which reference can be made if one desires to have the exact figures, is that some $600,000—I shall not go into that in particular—is paid by the Northern Electric Company as dividends. The railway board had this information, but in the words of the chairman said: Although we have the information before us, although witnesses here have testified to its truth, although the Bell Telephone Company have submitted a statutory declaration with the information given, we have to wipe that out of our minds; we cannot consider that in any way in arriving at a conclusion.

It was brought out in the evidence submitted in that particular case that the Northern Electric Company had made vast sums of money. It has a depreciation fund which I am quite certain extends towards almost wiping out its capital investment. It has a surplus of some millions of dollars. It has set up different funds to a large amount. It has so much money at the present time that it hardly knows what to do with it, and still it persists in paying to the Bell Telephone Company at the moment only the small amount of about $300,000, or half of the $600,000 it pays in dividends. In some way, although the Bell Telephone Company organized the Northern Electric Company, and at one time owned and controlled it absolutely 100 per cent, 40 odd per cent of the shares of the Northern Electric Company have got into the hands of the Western Electric Company, which is owned root and branch by the American Telephone and Telegraph Company, which in turn controls or can control the operations of the Bell Telephone Company itself. So that whatever dividends are paid, 43 per cent of them now find their way, not into the coffers of the Bell Telephone Company, but into the coffers of one or the other of the four members of the ring which controls telephone operations on this continent, the head of which is the American Telephone and Telegraph Company of New York. That may be a good or a bad business policy. One may say that if you cut the prices which the Bell Telephone Company pays to the Northern Electric Company, as one submission has been, there will be less dividends. Very well. The large public which contributes to the resources of the Bell Telephone Company by becoming customers will get the articles required to make up the equipment at a lower cost, and this will be reflected in the rates charged to the public. If, on the other hand, the Northern Electric Company is piling up huge reserves which it should not conceal in that way, then we say that those reserves should be diverted so that the Bell Telephone Company, being in control of this stock, might declare a greater dividend, because every additional cent of dividend received by the Bell Company from the Northern Electric Company operates in mitigation of the rates which are being charged by the former company to its subscribers.

I would think, Mr. Speaker, that the fair thing to do would be to get into committee with this bill and there discuss it. If any reference is required to the information which has been submitted to the railway board and is available on its files and in the records of its proceedings, we can find in committee better than in the house exactly what the situation is, and how it would appeal to members of that committee. I do not want in the least to interfere with the government's bill. It may provide exactly what this bill provides for, it may solve the difficulty in that way. One does not want to be stubborn, one wants only to get some relief, through a government bill or through a public bill such as this, from what surely is an intolerable state of affairs, that a large company, drawing all its profits from the public, depending on the public for its very life, should be able to put away a tremendous asset, which cannot under the present state of the law be valued or looked into by the Board of Railway Commissioners, under whose jurisdiction the Bell Telephone Company is and whose wards the public are.

I think I should be occupying the time of the house perhaps not usefully if I were to labour this question any further at this stage, but I do trust that we shall get as far as the railway committee with this bill. There we can discuss it from A to Z, and find exactly the information which any member of that committee may desire. Therefore I beg to move, Mr. Speaker, that the bill be now read a second time.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, the objection which I take to this bill is entirely due to the fact that it singles out practically one corporation from all corporations now operating under the Railway Act of Canada for special treatment by way of investigation of subsidiaries by the Board of Railway Commissioners. As my hon. friend himself stated, the legislation indicated by the government in the speech from the throne will be general in its character as applying to all companies operating under the Railway Act. Due doubtless to his association as counsel with a specific case, my hon. friend has very much information bearing upon one particular institution, and for that reason is very desirous to correct what he deems to be a bad situation with regard to that institution. The government of Canada and the parliament of Canada, I submit, cannot take that view. Parliament must look at general legislation, such as the Railway Act, from the point of view of its application to all the institutions which fall within its purview. A study of the situation in that regard has been made and as a result the legislation mentioned in the speech from the throne will be introduced amending the Railway Act.

Mr. BENNETT: Might I ask when?

Mr. DUNNING: If the debate on the address had not ended so soon, thanks to my hon. friend, I had intended to have the bill ready as practically the first legislation to be dealt with. There will be a little delay, but I can assure my hon. friend that the bill will be down very speedily indeed; I think I can promise it by early next week at the latest. On behalf of the government I shall not object to this bill going to the railway committee, but I may frankly say that I shall oppose its passage, restricting as it does the application of the principle to which its sponsor refers to one institution only, when, if there is anything in the principle, surely it should be applied generally. Of course I cannot discuss in advance the legislation which the government intends to bring down, but I can assure the house that it will be of a general character, and will not single out any particular institution or class of institutions.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, all I have to say is that when the private bill of the Bell Telephone Company was before this house for three months last session the government could have stopped the discussion in five minutes if they had declared their policy in regard to telephone and telegraph company rate applications. Some ten or twelve years ago this parliament saw fit to add telephone and telegraph companies to the jurisdiction of the Board of Railway Commissioners for Canada. But the board at the time the Bell company applied for an increase of rates could not give a decision on the merits of the application because their hands were tied. We could not criticize the board, because they have not the proper power to investigate subsidiary companies. This bill covers all telegraph and telephone companies under the control of parliament, whether in Alberta or Saskatchewan or Manitoba, or whether in Ontario or Quebec, and it is no use for the Minister of Railways (Mr. Dunning) to becloud the issue. The issue is perfectly clear. The purpose of the bill is to give the rail-

way commission long-needed powers to regulate telegraph and telephone companies, as was always intended. It is no use for the government to promise something in the speech from the throne; this means nothing. The public, the telephone users, want protection from this parliament. Nobody knows who owns this company. The issue is as clear as daylight, and I am surprised at the Minister of Railways' statement that this bill discriminates against one company. He was asked to declare the policy of the government last year, but he did not do so.

Motion agreed to and bill read the second time.

The SPEAKER: Mr. Geary moves, seconded by Mr. Stewart (Leeds), that the bill be referred to the select standing committee on railways, canals and telegraph lines.

Mr. DUNNING: Mr. Speaker, we are in the unfortunate position of not yet having our standing committee set up.

Mr. SPEAKER: I might suggest to the house—it was done once last session—that in view of the striking of the committees at an early date, we might say, technically, that the bill is referred to the standing committee on railways, canals and telegraph lines.

Motion agreed to and bill referred to the select standing committee on railways, canals and telegraph lines.

PRESERVATION OF NIAGARA FALLS

CONVENTION WITH UNITED STATES RECEIVED FROM SENATE

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the senate acquainting this house that the senate has adopted the following resolution:

That it is expedient that parliament do approve of the convention and protocol for the preservation of Niagara falls by the construction of remedial works and for the experimental withdrawal of additional water from the Niagara river, which was signed at Ottawa, on the second day of January, nineteen hundred and twenty-nine, on behalf of His Majesty for the Dominion of Canada by the plenipotentiary named therein, and that this house do approve of the same.

and requesting the commons to unite with this house in the approval to the above mentioned convention and protocol.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PENITENTIARY ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved the second reading of Bill No. 8. to amend the Penitentiary Act (view by grand jury).

He said: The Minister of Justice (Mr. Lapointe) is not here, but I will briefly indicate the nature of the bill. The object is to give jurisdiction to the provincial grand jury to visit these institutions, in respect to which there have been a good many complaints in the province of Ontario. It is represented that there are, in these federal prisons 64 youths of sixteen and seventeen years, and I have received from some of the judges strong letters in support of the amendment. I will not read these letters at this stage seeing that the minister is not present. The bill seeks to empower grand juries to make visits and inspections twice a year and make presentments without expense to the country. It is in accordance with the best principles of the administration of justice, and conforms to cardinal principles laid down in Magna Charta, namely, that the people shall have a share in the administering of justice and of the criminal law. These institutions are managed by the crown, and in so important a matter it is only right that the people should have some means of learning for themselves just what the crown officers are doing. Grand juries representing the people in various judicial districts can conveniently, and at very little cost, discharge these important and patriotic duties herein contemplated. In one asylum there was found a man who had been sane for several years, and he could not get out of the asylum, while in the Toronto gaol there were several girls of about the age of seventeen who were in a dungeon practically without food except bread and water for days. The grand jury made representations, upon which the city council requested the attorney general of the province to institute an investigation.

It may be said that this is not a matter that comes entirely within the purview of the department and the complete inspection of officials. Now I sympathise with the department, the extent of whose work I perfectly realize. They are not to be critized nor are those in charge of the institution. At the same time, however, I attack the ancient system. I think it is in the public interest that the facts should be made known, and such a practice as is here recommended would

serve a very useful purpose and lead to prison reform which is badly needed, and to help restore many persons as useful citizens. The grand jury system in England works well, and something of the same nature in the way of jury inspection should be put into practice here. Grand juries should have the power to go to these institutions and report upon conditions. In the absence of the Minister of Justice I would ask that the bill be allowed to stand.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend intimates that he does not expect the house to proceed with the second reading of the bill until the Minister of Justice returns to his place in the house. He has made his speech on the motion; I would therefore move the adjournment of the debate.

Motion agreed to and debate adjourned.

POST OFFICE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved the second reading of Bill No. 9, to amend the Post Office Act (newspaper ownership).

He said: This particular bill was before the house last session. There is an amendment which I wish to move. The argument in favour of the bill is familiar to hon. members from the discussions of the past two sessions.

Mr. DEPUTY SPEAKER: Mr. Church moves, seconded by Mr. Grimmer, that Bill No. 9 be read the second time.

Mr. CHURCH: I wish to move an amendment owing to an error in drafting.

Mr. DEPUTY SPEAKER: Under the rules it is not permissible for the hon. member to move the amendment at this stage.

Mr. CHURCH: Then I will move the amendment in committee. This bill is based on the principle of responsible government, and the principle of it has been a matter of law in England for many years; it is also the law in Australia and the United States. That principle is that the people should know who own newspapers. Some of these newspapers the ownership of which is unknown are continually publishing articles in support of certain movements not in the public welfare, and it is in the interest of the public as well as of the freedom of the press that the people should know the ownership of all such publications. I move the second reading of the bill.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Sworn statement of names and addresses of editors, owners, stockholders, etc, to be made semi-annually.

Mr. VENIOT: I move in amendment, as was done last year when a similar bill was adopted by the house, that after the words "six months" in the twenty-third line the following words be omitted:

Provided, that the provisions of this subsection shall not apply to religious, fraternal, temperance, and scientific or other similar publications.

And that after the word "provided" in the twenty-sixth line the word "further" be omitted.

Mr. CHURCH: I accept that amendment.

Mr. GUTHRIE: May I ask if this bill is now identical with the bill passed last year?

Mr. VENIOT: That amendment makes it identical.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

INSURANCE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved the second reading of Bill No. 10, to amend the Insurance Act (lapsed policies).

He said: This bill was before the house last year, and the recent report of the Superintendent of Insurance is very much in favour of it. In the United States the amount of money confiscated by insurance companies through lapsed policies amounts to millions of dollars each year, and I have a number of letters from poor policy-holders, of whom a great many are returned men out of work, asking that something be done. The object of this amendment is to give the Superintendent of Insurance more power to go into the affairs of these companies, thus protecting not only the government in the matter of revenue, where there is no protection at present, but also the poor policyholder who has lost what he has paid in on a lapsed policy. Through this method millions of dollars have lapsed and are being taken out of Canada and invested in every country in the world, and this is done at the expense of poor Canadians. In some years half the new business written has lapsed before the end of the year; the figures for 1926-27 show that over 30 per cent of the total insurance written in that year was allowed to lapse, and the money went into the pockets of the insurance companies. In that year over 40 per cent of the gross new business was surrendered, and some adequate system of inspection should be inaugurated in the interests of the policyholders. That inspection system should include a government actuary and frequent reports to the department of the amount of business lost through the lapsing of these policies.

I have here a letter which illustrates the principle. This letter is from a gentleman living in the constituency represented by the hon. member for Lincoln at St. Catharines. He is a returned soldier; he was a major in the army, and writes to support my action in this connection. He says that in 1895 he took out insurance in the Maccabees, a fraternal order, at the low rate of fifty cents per month. That rate was increased to sixty cents, later to $1.50, later to $4.50 and then to $6. This gentleman paid this society over $1,000 in rates before he thought it time to quit, and now he has lost everything he paid in. He considers this most unfair and believes this society should be kicked out of Canada, and he says:

> I stuck to them during the war; now they have my $1,000 to pay their heavy mortality in the United States. I could keep paying in another $1,000, which would be $2,000, and then die and my heir only get $1,000.

Something should be done to protect such policyholders. If we look at the prices of the stock of these insurance companies we find that they have increased tremendously in the last four years. I have in my hand a pamphlet issued by an investment concern in Toronto, in which they include a table showing the growth in value of the shares of the Canada Life, Crown Life, Great West Life, Imperial Life, Manufacturers Life, National Life, Sovereign Life and Sun Life insurance companies. This table is as follows:

	1925	1926	1927	1928
Canada Life.. ..	$700	$800	$1,000	$1,000
Crown Life..	115	135	330	425
Great Western Life.	335	460	550	600
Imperial Life.. ..	250	350	400	465
Manufacturers Life.	65	190	400	450
National Life.. ..	32	42	65	100
Sovereign Life.. .	25	37	55	75
Sun Life..	300	800	1,825	2,400

I protest against such a policy in this country; we find many millions of dollars put up by the policyholders of Canada being invested in Japan, Bolivia and almost every other country in the world, and a large proportion of this money came from lapsed policies. We have a very sympathetic minister in charge of this department; he is the backbone of the government in so far as the voting power of the country goes for his party, and I hope he will support this bill. I protest against our present policy with regard to lapsed insurance; there should be a special committee appointed to go into the affairs of these companies, because the poor policyholder is not adequately protected at all. This bill will protect the policyholder and prevent many of these companies crossing the border into Canada and finding this country such a happy hunting ground. They get a lot of money in their exchequers and then go and invest it all around the world.

About fifteen or twenty per cent of these companies are provincial in character but the majority are federal and, in my opinion, the superintendent has not the power he should have. Are we going to wait until we have a Home bank among the insurance companies before the act is amended? The insurance law to-day is twenty-five years behind the times. They have been brought up to date in England, Australia and the United States. The legislatures there have been doing something.

These companies are not paying the taxes they should pay, but the working classes have been paying the peak of taxation in Canada through their breakfast tables, the clothing they wear, and everything else. All of this is due to the fact that our insurance law has been falling by the wayside for many years, and that the Insurance Act is out of date; parliament seemed too busy to take it up.

A statement I have from Washington shows that the lapsed policies in the United States amount to several hundred millions, and that amount of money belonging to the people has been confiscated by these American companies. They are taking action down in Washington as there was a bill before congress during the session before last. They are trying to do something down there to regulate the whole situation.

This bill should go to the banking and commerce committee where an opportunity would be given to hear the Superintendent of Insurance. This committee could look into the question of lapse of policies and find out what is being done with the money and also the terms and conditions under which a policyholder may have his policy revived. We are surely here to protect the public, and it is nearly time the policyholders and the government had something to say about this.

Hon. J. A. BOBB (Minister of Finance): The hon. member for Toronto Northwest (Mr. Church), who is always interesting, has made a somewhat rambling review of insurance legislation generally, but he has made very little reference to his own bill. With the concluding remarks of my hon. friend I am quite in sympathy. The government have no objection, indeed they welcome the opportunity this bill affords the banking and commerce committee to go carefully into the question of insurance policies, particularly as applied to lapsed policies.

Mr. BENNETT: Is the minister certain he is speaking for the government? He may be repudiated a few minutes hence by the gentleman sitting beside him.

Mr. ROBB: My hon. friend must not judge this side of the house.

Mr. BENNETT: He did it this afternoon.

Mr. ROBB: The bill, as presented to the house by my hon. friend provides, first, for an amendment to give publicity to lapsed policies. This is already provided for in the act, and I venture to say that my hon. friend gathered the information that he has presented to this house from the published returns of the insurance department. These returns give these lapses for a number of years.

The bill also provides certain conditions regarding the reinstatement of policies. There is provision now in the act covering this, and the only material difference between my hon. friend's bill and the act as it now exists is that the act provides that six per cent shall be paid and my hon. friend has reduced it to five.

Mr. BENNETT: Is there not a limitation as to time? Is it not after three years?

Mr. ROBB: I think it is two years.

Mr. BENNETT: It used to be three. Is it two years now?

Mr. ROBB: Two.

Mr. BENNETT: This bill places no limitation as to the time.

Mr. ROBB: That is the only material difference. I repeat we are quite willing that the bill should go to the banking and commerce committee and that there be the fullest inquiry into these life insurance policies.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

BANK ACT AMENDMENT

BANK MERGERS—PROPOSED APPROVAL OF PARLIAMENT

Mr. T. L. CHURCH (Toronto Northwest) moved the second reading of Bill No. 11, to amend the Bank Act.

He said: This bill provides that the consent of parliament shall be obtained before any agreements for bank mergers shall take place. Under the present law all that is necessary is that the governor in council, through the Minister of Finance, give consent. That law is not in the interests of the banking system of this country.

I have here a statement showing the mergers which have taken place since confederation, as follows:

63.—Bank absorptions (mergers) in Canada since 1867.[1]

Purchasing Bank.	Bank Absorbed.	Date.[2]
Bank of Montreal	Exchange bank, Yarmouth, N.S.	Aug. 13, 1903
	People's Bank of Halifax, N.S.	June 27, 1905
	Ontario bank	Oct. 13, 1906
	People's Bank of New Brunswick	April 15, 1907
	Bank of British North America	Oct. 12, 1918
	Merchants bank	Mar. 20, 1922
	Molsons bank	Jan. 20, 1925
Canadian Bank of Commerce	Gore bank	May 19, 1870
	Bank of British Columbia	Dec. 31, 1900
	Halifax Banking Co.	May 30, 1903
	Merchants Bank of P.E.I.	May 31, 1906
	Eastern Townships bank	Feb. 29, 1912
	Bank of Hamilton	Dec. 31, 1923
Bank of Nova Scotia	Union Bank of P.E.I.	Oct. 1, 1883
	Bank of New Brunswick	Feb. 15, 1913
	The Metropolitan bank	Nov. 14, 1914
	The Bank of Ottawa	April 30, 1919
Royal Bank of Canada	Union Bank of Halifax	Nov. 1, 1910
	Traders Bank of Canada	Sept. 3, 1912
	Quebec bank	Jan. 2, 1917
	Northern Crown bank	July 2, 1918
	Union Bank of Canada	Aug. 31, 1925

[1]The purchasing banks named in the latter part of the table are no longer in business.

[2]Dates given since 1900 are of the Orders in Council authorizing the absorption.

63.—Bank absorptions (mergers) in Canada since 1867.—*Concluded*

Purchasing Bank.	Bank Absorbed.	Date.
Imperial Bank of Canada	Niagara District bank	June 21, 1875
Standard Bank of Canada	Western Bank of Canada	Feb. 13, 1909
	Sterling Bank of Canada	Dec. 31, 1924
Banque d'Hochelaga[3]	Banque Nationale	April 30, 1924
Bank of New Brunswick	Summerside bank	Sept. 12, 1901
Merchants Bank of Canada	Merchants bank	Feb. 22, 1868
	Commercial Bank of Canada	June 1, 1868
Union Bank of Halifax	Commercial Bank of Windsor	Oct. 31, 1902
Northern Crown Bank	The Northern bank	July 2, 1908
	Crown Bank of Canada	July 2, 1908
Union Bank of Canada	United Empire bank	Mar. 31, 1911
Home Bank of Canada	La Banque Internationale du Canada	April 15, 1913

[3]The Banque d'Hochelaga after absorbing the Banque Nationale adopted the name Banque Canadienne Nationale.

Section 1 of this bill provides that no agreement by a bank to sell the whole or any portion of its assets to another bank shall be of any force or effect until parliament approves and confirms the agreement.

Section 102 of the present act provides that if the agreement is approved by the shareholders, the agreement may be executed under the seals of the banks, parties thereto, "and application may be made to the governor in council, through the minister, for approval thereof." This bill provides that these last words be stricken from the section.

The proposal is to substitute these words:

No agreement by a bank to sell the whole or any portion of its assets to another bank shall be of any force or effect until parliament approves and confirms the agreement.

Last session this particular matter came up and I asked for a return bringing down any correspondence as to proposed mergers. The report was placed on the table within the last two or three days of the session stating that the department had no information; but within six weeks after parliament closed we read in the daily papers that an agreement had been entered into and approved by both banks for the merger of the Standard bank and the Canadian Bank of Commerce. That was done over the head of parliament. What is parliament for? Are we to sit here like a lot of dummies and have nothing to say about such things? Are we back to the days of the family compact? What have the farmers to say about this? I understand there is a feeling in the west against any more mergers. Just the day before yesterday Sir James Aikins, the president of the Canadian Bar Association, an Imperial bank director and former Lieutenant-governor of Manitoba, came out strongly in this regard and gave an interview in opposition to these mergers. He said:

The people are fearful that the banks of the country, if further amalgamation is permitted, may have too great control over the distribution of the country's money and thus hamper the merchants and the general public in their financial organization.

He favours a decentralized Canadian banking system with large head offices and multitudinous small branches scattered all over the country, thus facilitating depositing and distribution of money. It has many advantages over the banking system in the United States with large head offices and very few branch offices for the collection and distribution of the people's money, he said.

He spoke very strongly against mergers, saying further:

"The judgment of the people is pretty sound. The people constitute a fair jury, I think, and it is clearly to be seen that the public is fearful of too great centralization in the Dominion's banking world," said he.

"The people are afraid that the banks of the country, if further amalgamations should come to pass, may have too great control over the distribution of the country's money and thus hamper the merchants, dealers and the general public in their financial organization.

"It would not be wise to flout the opinion of the people, and the people are afraid of further amalgamations."

Outlining in detail the advantages of the Canadian banking system, with its large head offices and multitudinous small branches scattered all over the country, thus facilitating more decentralized depositing and distribution of money, as compared with the United States banking system, with large head offices and no or very few branch offices for the collection and disbursement of the people's money, Sir James stressed the importance of the public sentiment "that further amalgamation might not be fair, as it would endanger a fair collection of surplus money as well as a fair distribution."

I believe those remarks represent the views of the mass of the people of Canada.

This matter was discussed a few years ago in this house. Why should parliament have no control over such large institutions as the Canadian Bank of Commerce and the Standard bank in connection with an agreement for a merger like that? The parliament of Canada is a board of directors representing the people of all the provinces and surely

they should have something to say as to whether such mergers are in the public interest or not. It may be that some few are in the public interest. Why did the Canadian Bankers' Association not come to the support of the Home bank and keep the doors of that bank open, thus preventing the suffering which exists to-day amongst widows and orphans in Ontario and some of the other provinces? If parliament had asserted its rights, functions and prerogatives long ago, this failure could not have taken place; but parliament did not and is content until some bank closes its doors, with the result that thousands of suffering widows and orphans are left without money and afterwards have a hard time to get a few dollars back. The time has come now for no more bank mergers in this country. There are only ten or eleven banks left now. The trusts and combines are ruling Canada to-day; they are flourishing like a green bay tree here. In the United States they have a Sherman anti-trust law and we should have one in Canada and make some effort to put on the brakes. Parliamentary institutions in this country are in danger on account of the way in which the banks, combines and trusts are to-day in control of affairs, and the time has come for this parliament to assert its rights, prerogatives and functions. The trouble is that there is too much rigidity of the party system in these matters in parliament and the big corporations of the country are using that rigidity to accomplish their raids and to get legislation passed which should never be passed by any free parliament. Amongst those who have suffered through the failure of the Home bank are widows and orphans by the dozen in my constituency, people who put their all into the Home bank and who got very little out except pin money by way of a contribution by this parliament.

I asked in the house about the merger of the Standard bank and the Canadian Bank of Commerce and I was told that there were no papers and that the department knew of no merger. The minister may be able to justify in some way this particular merger. This bill does not deal with mergers that are past and gone; it speaks of the future, providing that, as regards any mergers that are contemplated, parliament should reassert its rights and prerogatives and that, if it is a free parliament, it should be given control over the banking trusts of the country. The banks to-day consist of the Bank of Montreal, the Bank of Nova Scotia, the Bank of Toronto, the Provincial bank, the Canadian Bank of Commerce, the Royal bank, the Dominion bank, the Imperial bank, the Weyburn Security bank. The financial papers now say there are going to be some more mergers between the smaller banks. We have an opportunity in that case of asserting the rights of parliament to vote for what is in the public interest, namely, that any more agreements between one bank and another shall have the approval of the high court of parliament.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, if bank mergers were brought about for the sole benefit of the shareholders, there would not be much objection to the procedure suggested by the bill which my hon. friend has introduced, but in bank failures it is the depositors who suffer. That is the long and rather painful experience that we have had in this country. It may be observed that the government of the day and parliament have some responsibilities towards the depositors who place their deposits in the various chartered banks of Canada. My hon. friend would take away from the Minister of Finance and the treasury board the right which they now have to supervise these banks carefully and to look after the interests of the depositors as well as of the shareholders, and he would give that to parliament. My hon. friend has not cited any country that follows that procedure. In the mother country the consent of the treasury department must be obtained, and in the United States the consent of the comptroller of the currency is required.

My hon. friend has referred at considerable length to the case of the Home bank. Looking back over the bank mergers that we have had in Canada during the last eight or ten years, we find that some of them have been necessitated by reason of conditions arising out of the Home bank failure. Depositors became alarmed; they withdrew their deposits with certain banks and placed them in other banks which they thought were stronger, and the banks from which the deposits were withdrawn either had to wind up altogether or do the best they could for their depositors and shareholders by merging with some other bank. Just imagine what might have happened if in the case of these mergers we had followed the procedure suggested by my hon. friend! Take the case of La Banque Nationale, for instance, a splendid old bank in the province of Quebec. Suppose that when it went wrong and they were not able to meet their payments, it had been advertised for some months in advance that this bank was in bad shape and had to merge with

some other bank, and that it was coming to parliament for permission to do so, there would have been such a run on that bank that it would have become bankrupt before it ever got to parliament.

Mr. BENNETT: And the shareholders would have paid double liability.

Mr. ROBB: Yes, if they were able to, but if they had not been able to, there would have been a demand made on the national treasury to meet the losses on the ground that parliament had delayed a merger that might have saved the depositors.

Take the case of Molson's bank, a splendid old bank. I have had a few rather sad experiences with splendid men who were interested in some of these banks. I referred a day or two ago to a friend, a gentleman who was recently laid to rest in the Mount Royal cemetery, a splendid man, a strong man, who came to me with tears in his eyes, and told me the real position of his bank, one of the great banks of the country. Because of the position into which his bank had got, in order to save his depositors—he was not much interested in the shareholders; it was the depositors he was thinking of—his bank had to merge with another.

I recall another instance, that of the Union bank. An attempt was made to have the head office of the bank moved to western Canada, and the headquarters of the bank were moved from the city of Quebec to Winnipeg. The Union bank was a great bank, and a useful bank to western Canada during the time the management stood by their legitimate business, but there came a time in its history when it got into a position where it could not carry on. I recall the gentleman who was then at the head of that bank, a dear old man, who had lost his wife a few months before, coming to see me, with tears in his eyes. He knew his bank was in bad shape. He had close associations with some other banks, but his bank was in such bad shape that some of his old friends would not take it over, and I had to go down to the different banks in Montreal. I represented to Mr. Neill, of the Royal bank, "This is an opportunity for you to get a connection in western Canada." He said, "Robb, they have nothing to sell that is worth anything to us except their branches and connections. I will let you know in the afternoon." They decided to take the risk, not because of anything that was left in the Union bank, but because of the connection that it gave them.

Mr. IRVINE: Have all mergers come about through the weakness of one of the banks concerned?

Mr. ROBB: Most of the mergers that I have had any experience with have been brought about because the bank got into a position where, in order to take care of its depositors, it had to merge with some other bank, and that is the position with which the government were confronted.

I did not intend in the discussion on this bill to refer to the Canadian Bank of Commerce and the Standard bank, but my hon. friend has brought that question up, and I would just as soon discuss it now as at any other time. Having been through this experience with the Banque Nationale, the Home bank, Molson's bank, the Union bank, and the Bank of Hamilton, and having in mind the run that was brought about on one of the big banks in this country through a foolish rumour spread in the city of Toronto, which nearly created a panic—yes, did create a panic, but the two governments, provincial and Dominion, stepped in and steadied that bank up, or I do not know what would have happened; because the people of Canada were nervous over conditions following the failure of the Home bank—having had that experience, when the question of the Standard bank and the Bank of Commerce merger arose, we looked carefully into it. The Standard bank, so far as its shareholders were concerned, and so far as its depositors were concerned, was perfectly solvent, but it was dead so far as doing added business was concerned; it was not getting new business. It must be remembered that two or three years before that time, a big institution had to lend a man to go into that bank to take care of it and steady it up. A run might have been started on that bank at any time, and we had the choice of taking that risk or consenting to a merger which we were satisfied was very much more in the interests of the depositors. You can trust the shareholders to look after themselves; they are quite able to do it, but the government has some responsibility towards the depositors.

My hon. friend has referred to the poor widows and orphans. What would have happened to the widows and orphans who had their money in these different banks, if we had had to wait for parliament to approve of the different mergers to which we consented? The government of the day is of the opinion, rightly or wrongly, that it is in the interest of the depositors that the

government should have the right to determine, after careful examination, whether or not there should be a merger. It is not the policy of this government to encourage bank mergers; it is the policy of this government to discourage mergers, but it is not the policy of this government to stand idly by and allow conditions to grow up such as I have indicated in connection with these other banks.

I submit, in conclusion, that Canada cannot make very much of a mistake in following the procedure that has worked so well for so many years in Great Britain, as well as the procedure that has been followed in the United States. It is the procedure we have followed in this country, and for these reasons I must say to my hon. friend that much as I welcome anything that will improve our banking system in Canada, I cannot consent to the principle of this bill, and I shall have to vote against the motion.

Mr. G. G. COOTE (Macleod): I regret very much that the Finance Minister (Mr. Robb) has said that he will vote against the second reading of the bill. I had hoped that the bill would be given a second reading and be allowed to go to committee, because I think the question of bank mergers is one of the most important questions facing this country to-day.

In the short time that I have had at my disposal to look into the question, I find that previous to 1900 there was no provision in the Bank Act for the purchase of the assets of any bank by another bank. That is, no provision was made for mergers of banks, and prior to that time very few mergers took place.

In 1900 the Canadian Bankers' Association was incorporated by special act of parliament. The Bank Act was revised the same year, and by sections 24 to 29 it was provided that the Canadian Bankers' Association should appoint a curator to take charge of any bank that suspended payment. At the same time provision was made for the validation of certain by-laws of the association, so far as the winding-up of any bank which suspended payment was concerned.

Immediately following this legislative action the merger of banks commenced in dead earnest. I have before me a list of the bank mergers which have taken place since that time. In 1900 there were thirty-six banks. In that same year, immediately after this new provision was inserted in the Bank Act, the Bank of British Columbia was taken over by the Bank of Commerce. Then we have bank mergers averaging one per annum up to last year. In 1901 there was another bank merger, another in 1902, two in 1903, one in 1905, one in 1906, one in 1907, one in 1908, one in 1909, one in 1910, one in 1911, two in 1912, two in 1913, one in 1914, one in 1917, one in 1918, two in 1919, one in 1922, one in 1923, two in 1924, two in 1925, and last year we had the merger of the Standard and the Commerce, leaving us now with ten banks. Of these amalgamations or mergers, it appears that the Royal bank has swallowed eight other banks, the Bank of Montreal six, the Bank of Commerce six, the Bank of Nova Scotia four, and La Banque Nationale one. I suppose it might be said that Canada is now in the hands of a financial octopus having ten heads—some of these soon to disappear if the policy of the government as carried out in the past is continued.

I have here a copy of the Financial Post of July 20, 1928. This was issued soon after the intention of the Standard to merge with the Commerce was made public. Dealing with the proposed merger the Financial Post says:

> It was inevitable that the Commerce-Standard merger should revive discussion of other mergers. The definite statements by the executives of both banks that the merger was in line with the tendency towards fewer and larger banks in Canada was in itself enough to start tongues wagging. Even though there are signs apparent that the public wants no more of bank mergers, that does not stop the gossips from projecting other banking combinations.

I pause, Mr. Speaker, to appeal to you for better order in the house.

Mr. SPEAKER: Order.

Mr. COOTE: The article continues:

> Two "logical combinations at once suggest themselves. A "logical" combination is apparently one that will get by the Minister of Finance, who has declared himself as opposed to shifting the balance in banking as between Montreal and Toronto. Thus, Toronto banks may merge only with Toronto banks and Montreal banks with Montreal banks.
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> In Toronto the four banks that are left out of the seven after the Big Three—Montreal, Royal and Commerce—have been eliminated from discussion are the Nova Scotia, Dominion, Imperial and Toronto. A few years ago there was talk of a merger between the latter three. This has been revived, though probably to the embarrassment of the officers of these banks who declare that such a merger is purely hypothetical.
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> Such a merger would provide a bank with total assets of $400,000,000 as follows: Dominion, $151,000,000; Imperial, $147,000,000; Toronto, $142,000,000.
>
> In Montreal there are only two banks outside of the Big Three, the Banque Canadienne Nationale and the Banque Provinciale du

Canada. A merger of these two has been, from time to time, discussed but again quite unofficially. It is not certain that either side wants it. But both banks are French Canadian in aspect. Their combined assets would total over $200,000,000. The figures follow: Canadienne Nationale, $149,000,000; Provinciale, $55,000,000: Total, $204,000,00.

Neither of these combinations would provide a bank to rank in size with the Big Three, although they would be substantial institutions for all that.

About the only way that a fourth large bank in the three-quarter billion dollar class could be set up by a merger of the present banks would be in the union of the Nova Scotia, Toronto, Dominion and Imperial. The combined assets of these four would be as follows: Nova Scotia, $260,000,000; Dominion, $151,000,000; Imperial, $147,000,000; Toronto, $142,000,000: Total, $700,000,000.

This would create a bank that would be practically neck and neck with the Commerce.

All four of the banks mentioned have their administrative head offices in Toronto.

If, as leading bankers say, Canada is to get down to a few large banks, it must be by merger of the existing banks and the mergers above discussed are the "logical" ones.

But several things stand in the way of their consummation. The shareholders and directors of the banks referred to may prefer to let each bank go its own gait, as they are doing very successfully right now. Or the government might not permit further mergers, although its policy in that regard seems to exist only for the breaking thereof. But what is more important, and probable, the public may have had its fill of mergers and refuse to accept any more such combinations without expressing its disapproval.

But as the Bank Act now stands how can the public prevent any further mergers? The matter is absolutely in the hands of the Minister of Finance once banks make up their minds to merge, and it does seem to me, sir, that the policy of the present minister is to approve all the mergers that are asked of him. He seems to be, as the good book says—

Mr. ROBB: Will my hon. friend allow me to interrupt him right there? No, that is not my policy. My policy is to ensure such conditions that the treasury of Canada will not again be called on to look after depositors as it was in the case of the Home bank.

Mr. COOTE: On one occasion the Minister of Finance, Mr. Speaker, stated that the control of banking in this country rested in parliament. And yet we allowed the Home bank to get into a position where no other bank in Canada would take it over, even though considerable value might be placed on connections of the insolvent institution. It seems to me very strange if our policy of protecting our bank depositors relies on the absorption of the weak banks by the strong, because there is only one end to that policy—elimination. Finally we shall come down to the point where there are only two banks left. Should one of them get into difficulties, our only recourse will be to allow it to merge with the remaining bank. Then when that sole bank through bad management gets into difficulties, I should like to know who is going to take it over.

Mr. GARDINER: The government.

Mr. COOTE: I listened carefully to the Minister of Finance to-night and his sole objection to the bill which is proposed is that it removes from his hand the method which he uses, or which he used in the past, to protect depositors. The best safeguard for depositors is sane management of the banks, and the best way to secure sane management is to have some thorough outside inspection of the banks.

Outside or government inspection was urged by one of the most prominent bankers in Canada before the banking committee in 1913, but he was opposed by the majority of the members of the Canadian Bankers' Association. It was urged strongly in the year 1923 but was refused by the department and opposed by the bankers. It came in the year 1924 or 1925 as a result of the failure of the Home bank. I presume the bankers felt that something was needed to allay the fears of the public, and to meet their demands government inspection of banks was granted. Now we have an inspector general of banks. Surely a gentleman with such a high sounding title, and with all the money with which the government in these prosperous times could furnish him to secure a good staff, could under the Minister of Finance, create a situation under which depositors would not all the time be facing this risk of loss about which the minister speaks when we suggest any amendment to the Bank Act. On almost every occasion the minister brings up that question. Why could we not have some security for deposit holders without losing the great majority of our banks? Now we are reduced to ten. This article in the Financial Post suggests the next logical merger, and if that takes place we shall lose three more banks and the total be reduced to seven. One of these banks is a small one in Saskatchewan, and two of them are also what the Minister of Finance would call small banks, located in the province of Quebec. Excepting these, we then have the big four. The big three at the present time control some 73 per cent of the assets of the banks of Canada. If we keep on with this process for another ten years we shall be reduced to

perhaps four banks, while it is quite possible that we may find ourselves down to three or even two.

We know that as a general rule there is one dominating personality in each bank; he dictates the policy of the bank; and if you have four big banks in Canada controlling over 90 per cent of the assets of the country—they do not own them, but simply control them—then these banks will have more control over the country than all the governments in Canada put together. They can absolutely dictate to the government. Finance is the life blood of a nation, and the control of finance is like the control of the heartbeat of the human body. There is absolutely no question about it. Business to-day is dependent upon credit. Any five men who control the finances of the country have complete control not only of the financial but of the industrial life of Canada.

I find, according to Hansard of last year, in a speech made by the hon. member for Winnipeg North Centre (Mr. Woodsworth), that at that time the president of one of our large banks was on the directorate of, I believe, 135 companies. There is no telling how many companies he is directing to-day; I am told it is over 200. That is just a slight indication of the situation which it seems to me is facing Canada.

The time—so far as we can see—is not very far distant when quite probably five men will be able to sit down together and determine what the policy of Canada shall be. It is not improbable that five men will say, "There are certain industries which we will finance and others which we will not finance"; and what government then will be powerful enough to free us from such a combination?

I wish to give the Minister of Finance credit for the very best intentions, but it does seem to me that his policy in regard to bank mergers is no policy at all; it is just a matter of drifting along, and when some banker tells him that it is necessary in the interests of his bank that it be allowed to merge with some other bank he says, "All right; I must protect the interests of the depositor". But surely there must be an end to a policy of that kind. Are we going to allow the country to be governed by four banks? I presume someone will rise and say that this is what they have in Britain—that they have the big five there. Well, the big five may suit Britain, although I doubt it very much; I believe they would be much happier, they would be better off, with fifty. But Canada is distinctly a different sort of country from Britain. We have a country four thousand miles across. The credit of almost every man, every corporation, every institution in Canada is really controlled, and their finances directed, from Montreal or Toronto. It is bad enough while we have ten banks, but it will be infinitely worse when we get down to three or four.

Canada, if we had had a natural growth in our banking system, would to-day have at least one hundred banks. We ought to have grown from thirty to a hundred; we have grown the wrong way, from thirty to ten. I should not feel quite so much concerned about this, if I could see that the government had any policy to prevent us from drifting to the point where we shall be reduced to two or three. Some people may say, "That is all right; we shall get to nationalization of the banking system all the sooner". It seems to me that this belief is almost like that of a miner whom I came across in the election of 1921. In one of the coal mining camps this man was electioneering in a hotel and he said, "Vote Conservative; that's the rottenest party there is, and if you put them into power there will be a revolution all the sooner". I do not believe in that sort of policy; I believe in tackling problems before they reach that stage.

I do not wish to labour the point, but I would ask the Minister of Finance to consider seriously allowing the bill to go to the committee, and if the committee does not see fit to adopt it as it stands it might amend the bill in some way with a view to preventing further mergers and maintaining in Canada such splendid banks as for instance, the Bank of Toronto. I do not think the Bank of Toronto has ever swallowed another bank in its life. It is a fine bank; it has had a steady growth. None of the so-called big three has had a natural growth at all. These banks are like the big fish that swallowed the little fish; and sometimes the big fish had to strain very hard to swallow another almost as large as itself.

The Minister of Finance talks about the big bank being stronger. If he will look into the records of the banking committee in 1923 he will find that Sir John Aird made the statement that the big bank was not necessarily a bit safer than the small bank; it all depended on the management. I believe that a bank can become so big that there is danger for the depositors. We are creating a lot of super banks and I doubt whether we can find supermen to run them. It is much easier to create the super bank than to find the superman.

I am going to appeal to the Minister of Finance to allow the bill to go to the committee. He need not necessarily approve the principle of the bill, but certainly he must feel in his heart that the policy which he has been pursuing will lead us into a situation which, I am sure, he realizes will not be a happy one for the country. There was an old bard in Scotland who said that if he could write the songs of a nation he did not care who made the laws, but that was a long time ago. Many years afterwards the late J. P. Morgan is said to have remarked that if he could control the finances of the nation he did not care who made the laws; he was of a much more practical turn of mind. We are rapidly approaching that position where a few men are going to control the finances of this country; it may be that one personality will dominate them all and become in effect a sort of financial Mussolini. This situation, I am satisfied, is utterly distasteful to a democratic people such as we have in Canada, and I am sure our people will not stand for it very much longer. Again I appeal to the Minister of Finance to allow this bill to be sent to committee.

Mr. WILLIAM IRVINE (Wetaskiwin): I am sure the house listened with great interest to the very broad and important question opened up by the hon. member for Macleod (Mr. Coote), and I think I agree with the general principles held by the hon. member in regard to finance. At the same time I am not clear as to what real value would be gained by letting this bill go to committee unless the house authorized that committee to do very much more than is suggested in the present bill. If someone were to move an amendment, to the effect that the committee be instructed to investigate the whole question of bank mergers and make a recommendation to the house as to what might be done, then the committee would have a reference wide enough to permit it to go to work, but with the three clauses in the form in which they appear in the present bill I am not clear whether we would be any further ahead by sending the bill to committee.

In my opinion the Minister of Finance (Mr. Robb) probably has done all that could be done under the circumstances in respect to bank mergers. He might have a much better policy in his head than the one he has been practising in respect to bank mergers, but circumstances would not permit him to follow it, and he has been practising the only one possible, in my opinion. It is not the policy of the Minister of Finance we must look at but the policy of the bankers, and their policy in turn is being determined by great forces which the bankers themselves are unable to control. The bankers are in the midst of a great, sweeping, evolving system which they must obey, and I do not believe that any legislation whatever can stem the inevitable tendency towards mergers. I do not know that it would be safe to try it; I know that to-night I would not vote to ask the Minister of Finance to stop all mergers. I think it would have been much better if, for instance, a merger of the Home bank had taken place about five years before the smash came; that would have suited me a great deal better than what actually happened.

In making these remarks I am not taking issue with my hon. friend who has just taken his seat. I know he is trying to find a solution for a great problem, but I merely observe that I do not believe that solution can be found in an attempt artifically to stem the tendency to mergers. I believe that tendency will grow; it is the spirit of the times; it is cooperation, if you like. These bankers are simply cooperating as such. Unfortunately when bankers cooperate we call it a merger, and when we merge as farmers we call it cooperation. I believe the bankers are cooperating and I do not think we can stop them; I would not do so if I could. But I want to make a suggestion here which might go a long way towards doing something like what the hon. member for Macleod has in mind, although I am not speaking for him because he has spoken well for himself. I believe that if we had a greater socialization of credit we would overcome much of the difficulty with which we are confronted at present.

You may ask what I mean by the socialization of credit; let me given an illustration. There are great industries in Canada to-day which, of course, find it necessary to use their credit to finance themselves, and they must go to banks to secure that credit. If the banks have not sufficient financial credit at hand they must repair to the Treasury board for support and the Finance Act will in that case be utilized to enable the banks to carry on and meet the obligations of the different financial institutions to serve industrial and commercial requirements. Then we have great organizations like the wheat pools of the west. The wheat of the west is credit, and the only way the wheat pools can finance at present is through the banks, which take the credit of the wheat pool to the Treasury board to secure the necessary finances to meet requirements. So I suggest to the Minister of Finance that it might be possible for the wheat pool or any other organization or corporation having

sufficient credit to go direct to the Treasury board and secure for themselves the same credit under the Finance Act which the banks secure aid which the banks re-loan to these companies.

Mr. ROBB: Does my hon. friend wish an answer now? If large organizations such as the wheat pool would encourage small banks such as the Standard bank perhaps we would not have the necessity for mergers.

Mr. IRVINE: I will admit that that is nice advice, but it does not answer my question. I still hope that the Minister of Finance will give consideration to that suggestion. Certainly it is not revolutionary; it is being done now, only it is being done through a second or third party. I cannot see why the wheat pool, having the greatest credit existing in Canada, cannot go direct to the Treasury board and use the very same act used by the bank from which they borrow, together with the same security used by the bankers, in order to get the necessary credit desired by the Pool. That could be done not only by the wheat pool but by other organizations or corporations having sufficient credit, and I think it would stem to some extent the tendency toward financial monopoly, which must result from continued mergers if nothing constructive is done. In this way credit would be socialized to a very large degree, and while that would not prevent bank mergers it would prevent the centralization of financial control which is feared by those who oppose the present tendency to bank mergers, and which is the sole danger of the present process.

Mr. JACOBS: Does not the hon. gentleman agree with me that the business of a government is to govern, although sometimes they do not do it very well, and not to go into the banking business?

Mr. IRVINE: That is a very glib phrase with which I have no hesitation in agreeing, but the problem arises of what we mean by governing. At present the financiers are doing the governing; they govern the government. If I were the Prime Minister they would be governing me and they would be governing my hon. friend too if he were in that position. It is not a matter of which party is in power or who is Minister of Finance; it is a matter of recognizing facts and facing them squarely. I do not blame the financiers for the present situation; I do not blame anyone any more than I blame myself and fellow citizens. It is our responsibility. Bankers were born under this system; they have lived under it and have been a little more successful than I have been, perhaps because they were better fitted to survive under the system. I am not disputing that, but I am disputing the system itself and suggesting what I believe to be a better one, and still I adhere to the principle referred to by my hon. friend opposite, namely, that it is the business of a government to govern. It would be governing to socialize credit and prevent monopoly of credit instruments, and it would be the business of the government so to do. At present it is the necessity of the government to do what the real, invisible government tells them to do.

Hon. R. B. BENNETT (Leader of the Opposition): The last observations of my hon. friend from Wetaskiwin (Mr. Irvine) indicate how difficult it is for the best informed minds to accommodate themselves to the facts. To assert that there is an invisible government in Canada is to assert that the people themselves are invisible, which is not the fact. During my practice in western Canada for many years, nothing impressed me more than the willingness of the people, once they understood the situation, to realize the soundness of the Canadian banking system. When the hon. gentleman from Macleod (Mr. Coote) made the observation he did, I could not help but think that he knew better. I recall a constituent of his coming to my office on one occasion and complaining of the action of the banks. He said he could not get any money from the banks and he thought they should lend him some. I said to him, "Let us see what you mean. Where does the money come from?" He said, "They make it down east." I said, "Is that your view of it?", and he replied, "It is those rich men in Montreal and Toronto, and they will not lend it out here." I then said to him, "Let us investigate this. Do you realize that the capital of the bank, or the stock of the bank, is the money that certain people called shareholders have put into that bank? That money is never available for loaning purposes, it is all tied up in cash which must be available at any moment, or in bank premises and legal tender, which is the same as cash. The money they lend is the money their depositors lend to them. Now tell me what you offered as security." He told me he did not have anything, and I said to him, "Would you lend your money to any person who was situated as you are?" and he told me that he would not, and that he had never thought of the matter in that way.

Although it may seem a little tedious and unnecessary, and it would be under ordinary circumstances, I am going to point out to this house that the capital of a bank belongs to the shareholders. That capital is subscribed

and paid under the provisions of a statute of this country called the Bank Act. I have in my hand a return for the month ending December, 1928, which gives full information as to the chartered banks. It will be observed from this return that, with the possible exception of the Weyburn Security bank, in no instance is the cash on hand, legal tender and bank premises less than the paid up capital and reserve of the bank. For instance, the Bank of Montreal had on hand at that time $31,000,000 odd of current gold and subsidiary coin. It had on hand $54,700,000 of legal tender which it had bought and paid for, which, added to the previous amount, makes a total of $85,000,000. The paid up capital and rest of the bank were a little less than $60,000,000, and the bank premises were valued at $11,000,000. The total of the cash and bank premises is $96,000,000, which is more than shareholders' capital and reserves. If you will run through this return you will see the other banks are in the same position.

The banks have no shareholders' money to lend, and let us have no misunderstanding about that. It is wrong to attempt to inflame, by gibes and cheap sneers, the opinion of those who do not understand the fact, the class of people who say that they cannot get money and allege that certain rich men are doing so and so, because the truth is that the banks of Canada have in their treasuries, in current gold and silver coin and Dominion of Canada bank notes, and in their bank premises, more money than the paid up share capital and the reserve, which is mostly accumulated profits.

If that be so, on what does a bank live? It lives on one thing only, and that is its deposits, and not the shareholders' capital. Any man who has stood as I have, on a pay-day of the Canadian Pacific Railway Company, and watched the long file of men making small deposits of money, must realize the collective power of these savings. On these savings and on the free balances which they may have depend the ability of the bank to carry on its business.

Mr. WOODSWORTH: Do I understand the hon. member for Calgary (Mr. Bennett) to say that all the money the banks lend is drawn from the deposits placed by the depositors in the savings department?

Mr. BENNETT: I included the free balances of those who utilize the banks for the purposes we all do. Then there are the deposits known as "notice deposits" which are not of quite the same character as savings.

[Mr. Bennett.]

The banks of this country are carrying on business with the deposits of the people of Canada, the money in the savings accounts, the open accounts and money held on deposit receipts.

What is the relation between the bank and its customer? The bank borrows money from the customer, and every time I write a check I am giving effect to a contract between the bank and myself that whenever I make a demand upon my account the bank will honour that claim thus made upon it.

What is the business of a bank? The business of a bank is to maintain the proper equilibrium between what the bank borrows from the people and the lendings of the bank to its customers. The science of banking is the maintenance of an equilibrium between time loans and time deposits, on the one hand, and demand loans and demand deposits on the other. That is the whole science of banking.

That being so, let us go a step farther and ask ourselves just what transpires in connection with matters of credit, to which attention has been drawn. A customer comes to the bank and asks for a loan. The bank asks him what security he can give for the loan, and his answer may or not be adequate. The banks are very particular because they are not lending their own money. These gentlemen suggest that the banks are lending the shareholders' money down in Montreal or Toronto.

Some hon. MEMBERS: No, no.

Mr. BENNETT: That may not be the case here, but they do in other places. Whose money are they lending? They are lending the collective savings of the Canadian people and no banker has a right to lend money without taking adequate and proper steps to see that it is safeguarded and can be returned. If a banker is to carry out this obligation to his depositors, he must maintain a proper relation between time loans and time deposits and demand loans and demand deposits, otherwise the bank will be insolvent. That is the case, not because the bank is bankrupt, but because when my demand is made upon the bank in the form of a cheque, the bank cannot supply the money. Why? Because the improvident manager has lent it on a three or four months' note which has not been paid. When the Minister of Finance referred to some of the difficulties he experienced with the banks it was not that if time could have been given to those banks, the difficulty could not have been worked out, but because what happened in one case of

which I have occasion to know—and I suppose I could mention it with great frankness as the minister has done to-night—was that one of the large banks in Montreal was due to close its doors on Monday morning and it was taken over by another bank because the department agreed. Why? Because on Monday there were outstanding cheques held by other banks amounting to several million dollars that would be presented to that bank at ten o'clock on Monday morning and the treasury of the bank was without money because the bank had lent its money to customers who could not repay in accordance with their promises and so there was no money to pay the cheques. In other words, to use a banking term, the bank's assets were frozen; they were tied up in notes that could not be paid, in demand loans that could not be met. The result was that the bank either had to close its doors on Monday morning or to be taken over by another bank. What did the government choose to do? Just what the Minister of Finance did, and I ask my hon. friends to the left: Is there anyone who would have done otherwise? Would anyone of the hon. gentlemen opposite; would the hon. member for Northwest Toronto (Mr. Church) for a single moment say he would have let a crisis be precipitated in this country by allowing one of the large banks which was unable to meet its obligations, close its doors, a crisis such as we have never before seen in this country, or say: Let the Bank of Montreal take over that bank?

Mr. COOTE: Does my hon. friend know that since that time we have established in the government offices here an inspector general of banks to see that these banks do not get into such an improper position?

Mr. BENNETT: That is not the fact. The fact is that when he finds such a situation exists, he makes his report to the minister, and it is because he did find that with respect to the Union bank that the minister went to Montreal. For what purpose? To save the depositors of the Union Bank of Canada.

Mr. COOTE: He did not have any inspector at that time.

Mr. BENNETT: Yes, he did. That was one of the first jobs the inspector did. He went out and found that bank in the position in which it was. If my memory serves me aright, I think this was just after his appointment.

Mr. ROBB: I think my hon. friend is right, but I am not sure about the inspector. I know that we sent a man out there.

Mr. COOTE: The condition which existed in the bank certainly occurred before we appointed the inspector. It may be that the inspector found it out.

Mr. ROBB: My hon. friend must not run away with the idea that we did not have inspectors and confidential men to look over these banks long before Mr. Tompkins was appointed.

Mr. BENNETT: That has been done for many years. The hon. member for Macleod seems to forget that within the last twenty-five years there has not been a time when the Department of Finance has not, through its agents, been inspecting the condition of the banks, not because it had any interest in the shareholders of the banks but because it was fearful that a crisis might be precipitated in connection with our financial situation owing to their not being able to meet the cheques the depositors would draw on their own money.

Mr. DUNNING: Before my hon. friend leaves that, there is a point that I would like him to elucidate in his very capable address. There apparently exists the idea that a system of inspection can prevent such a situation from occurring.

Mr. BENNETT: The hon. member for Macleod, who is an old banker, apparently suggests that the appointment of an inspector general might be able to obviate the difficulties to which allusion has been made. That is like locking the door after the horse has been stolen. The loan is made and it is when the inspector general discovers a situation that will precipitate a crisis that action is taken. That is his business. He cannot be in every place in Canada at once and watch every loan that is to be made for the purpose of examining whether it is a good loan or not. He cannot substitute his knowledge for that of the local man with relation to it. The inspector of the bank does one thing; he determines from a study of the securities of the bank and the deposits whether or not that equilibrium is maintained between time deposits and time loans and demand loans and demand deposits that is essential to maintaining the solvency of the bank. That is all he does, as I understand the matter at the present moment. A very undiscerning electorate did not afford me that opportunity to continue to follow the matter up as I should have liked in 1926, and my hon. friend succeeded me without my having that personal knowledge of the transactions that I would have gained had I remained in that position a little longer.

At any rate I desire to point out that you will have to concede the first two of those premises: first, that the bank's capital, the shareholders' capital, is not available for loans to its customers; and, second, that loans to customers depend entirely upon deposits What do deposits in a bank depend upon? They depend upon three things: first, competition. That is, if it is the only bank in the community, it receives all the deposits.

Mr. COOTE Hear, hear.

Mr. BENNETT: I am glad to see my hon. friend is a monopolist in that particular. I assume he approved of that general doctrine in the community in which he directed a bank so successfully for a time, and we will pass to the next point.

The first point is that of competition, location and matters of that kind. Then comes what is almost as vital a point, the question of management. Why is it that some managers draw large deposits and some less? That is where the personal factor enters into the business. There is always in business the personal factor that cannot be eliminated. The third point is what I am pleased to call the prestige of the bank. Given competition, given management, there are some banks that draw deposits more readily than others because of their prestige, because of their long known solvency, because of the confidence the people have in them for reasons that cannot be exactly described, but which may be called the franchise value of the bank. There are those three factors. Let me give this illustration to the house. A small bank comes into Alberta for the first time as one of the banks did a few years ago. It made loans to three of its customers in that province in Edmonton and Calgary and the sum total of the loans amounted to more than its rest or reserve. They were real estate loans. They wanted business. The result was that bank either had to go into the hands of a liquidator or the depositors had to be saved by that bank being taken over by another bank, and it was. The Minister of Finance knows the bank to which I refer.

What has happened with respect to every bank that has been merged or amalgamated with another? What has happened has been that on analysis you found that bank either stagnant and not increasing its deposits or unable to meet the demands made upon it by its customers because of frozen assets or matters of that kind. Therefore it had to choose one of two things. The management had to decide whether or not they would be untrue to the confidence reposed in them by the public who put their money into the bank and betray the depositors, or amalgamate that bank with some other bank. There was nothing else left for them to do. I put this to my hon. friends to the left who have talked so glibly about this question: Would you have the manager of the bank continue to keep the sign on the door until such time as it would be compelled to close by reason of its being unable to meet the cheques drawn upon it, or would you have them save the depositors through the joint action of the bank and the government, by amalgamation with another bank?

Mr. COOTE: Does my hon. friend mean to say to the house that in his opinion the great majority of the banks that have been merged since 1900 would have been forced to close their doors if they had not been merged?

Mr. BENNETT: I would put it this way: To the extent of my knowledge and from what I have been able to learn from the Finance department in this country, I have no hesitation in saying that that would have been the result, perhaps soon, perhaps a little later, but ultimately the result. When a bank reaches the point where it can no longer attract deposits, that very moment that bank's life is through.

Mr. DUNNING: It must contract its loans.

Mr. BENNETT: I was just coming to that. One of two things must happen: It must either get money from some other source, or it must call in its loans so that it will be in a position to meet the demands made upon it, and the worst feature of it all is this, which every thoughtful man must realize, that at the very moment when the bank most needs its money to meet the demands made upon it by its customers who have become apprehensive or suspicious because of the character of its loans, it cannot get its money, because its loans cannot be paid. That is the real reason we have bank mergers in this country. Mr. Reginald McKenna came out to New York some years ago and made a speech, in the first paragraph of which he said, as I recall it: "The difference between us in Great Britain and you in the United States with respect to banks is that our banks are joint stock companies and are conducted as such, while yours are in an entirely different position." We in Canada do not run our banks as joint stock companies only because we have provided that the banks have power to issue paper money, and to that extent, because they have a franchise, we have exercised control and super-

vision and regulation over their business. Now if you have followed me up to that point, you have your bank dependent for its very life upon the deposits which can be attracted to it. Its ability to attract deposits depends upon three factors: (a) competition; (b) management; and (c) the prestige of the bank.

Now assume that you have increased competition. To that extent you have a diminution of the deposits of the bank at that point. If you have indifferent management, succeeding vigorous and excellent management, you have the same conditions, and if something happens, as the Finance Minister said a few moments ago, to touch the prestige of an old and established bank as it did in Toronto, you have the same result. You have the drying up of deposits by their withdrawal, and you have not that flow of new deposits that enables you to keep pace with the demands made upon you, because you have frozen credits in the way of loans that are not being paid, and which you cannot call in. Under those circumstances, what is a Finance minister to do? I read the newspapers, and I see that it has been suggested that the minister acted improperly. I have listened carefully to what the minister has said tonight, and he discharged his duty—he had nothing to do with the shareholders at all, not a thing in the world; this government has no interest in the shareholders of a bank —he discharged his duty to the depositors and to the treasury of this country, and if he had failed in either, he would have been derelict in his duty.

This bill of my hon. friend for Toronto Northwest (Mr. Church) would substitute parliament for the minister. Now I ask the house this one question: What would have happened had parliament been substituted for the minister when the Merchants' bank was in difficulties?

Mr. ADSHEAD: May I ask, for information only, if it is not the case that when a bank takes over a smaller bank, it must use the money of its own depositors to meet the cheques of the bank that has closed its doors, and therefore it must consider that the assets of the bank that has closed its doors are greater than its liabilities? Is not that the case?

Mr. BENNETT: I am glad that my hon. friend mentioned that. For some years I was a director of a bank, and I am a very substantial shareholder in some of the banks yet. Do not have any misunderstanding about that. I say that perfectly frankly to this house, because legislation that affects banks touches them all, and as I am not a shareholder in them all, I thought that I might retain my interest as a shareholder, occupying the position I did; but I terminated my directorship. I can answer the question of my hon. friend quite readily with reference to two, if not three, transactions. On investigation, the assets of at least two of the banks absorbed by larger institutions were believed to be less than their liabilities; that is, if the assets had to be realized on within one or two years, or perhaps three; but the banks believed that if they were given time they could work the situation out and make the assets meet the liabilities. I can give my hon. friend particulars of those transactions if he desires, because there are two or three instances of which I have particular knowledge.

That being the case, what must the minister do under those circumstances? I notice a lot of discussion in the newspapers about bank mergers, and I am going to discuss the question of credit in a moment. But if I am right in my premises, the people of this country who deposit their money in the banks, control the banks, and if in community A, B or C, or in any province in this country, there is the fear that this or that bank is doing other than it should, the depositors withdraw their deposits and put their money in some other place.

Mr. ADSHEAD: In the case mentioned by my hon. friend the assets of the bank were equal to its liabilities, or would be in a year or two; but would a bank be taken over if its assets could not eventually meet its liabilities?

Mr. BENNETT: In two cases they were because, as the Minister of Finance has himself said, he regarded it as the duty of the larger bank to take over the weaker one, believing that with its large resources it would be able to work out the situation in two or three years. They had a duty to Canada to prevent a disaster happening, and they acted accordingly.

Some of you may be greatly interested in reading the judgment of the Privy Council in connection with the old Ontario bank. The judgment was rendered by Lord MacNaughton, and the question was whether the Bank of Montreal had taken over a bank, or had merely put itself in a position where it became liable for certain obligations of that bank. Lord MacNaughton, in delivering judgment, eulogised the public spirit of that bank in taking hold of a situation that otherwise would have brought ruin on the community.

In one village the bank put up a painted sign, "This bank has been taken over by the Bank of Montreal," and the run on the bank stopped and the depositors were saved from what might have been almost irretrievable ruin. Hon. gentlemen will find that judgment in the law reports. I shall be glad to give them the citation; I do not carry it in my head at the moment.

Some of the newspapers in this country have suggested tha large interests, whether on the government side or on the opposition side, see to it that opinions shall be expressed favourable to what the government and the minister have done with respect to bank mergers. Mr. Speaker, once more I assert, for the reasons I have indicated, that the minister has no concern about the shareholders whatever, except in so far as they have to vote to carry into effect the agreement between the two banks. His duty is to protect the depositors of the bank from what might be disaster. It may be that the disaster would not come this year or next year, and in one instance it might fairly be said that it would not have come for two or three years, but the second factor I mentioned with respect to deposits prevailed, the question of management. Men had said: "We feel we cannot longer carry on; we feel we have reached the point where we desire to surrender these duties and obligations. It is too great a burden for us," perhaps by reason of age or illness or matters of that kind. When you have that situation, you have a drying up of deposits. The situation is put frankly to the minister. I have seen the letters written in days gone by, and the minister has to do one of two things. He asks himself: Shall I permit these people to go on or not? I know this. Differing with the Finance Minister as I do in his attitude toward most questions, I think every member of the house will agree with me that the Minister of Finance has approached and will continue to approach that problem with only one thought, and that is: What is necessary for me to do to save depositors from loss and the treasury of this country from being raided?

Now, sir, I put this to you. If, having appointed an inspector general, and a bank met with disaster, would you not get exactly the statement made by the member for Macleod (Mr. Coote) to-night. He would say: Of course the country is responsible for this: they have to pay the depositors, because if you had an inspector general who was on his job this would not have happened. I say to you to-night, if by a change of the wheel of fortune hon. gentlemen to my left should be in power, and one of them from Battle River (Mr. Spencer) were minister of finance, could he sleep at night if he refused to permit the fusion of two banks if he knew the depositors would meet with disaster as a result of his refusal. It is all right, Mr. Speaker, for my friends to go from one end of the country to the other and in jibing tones say: Of course the leader of the opposition agrees with the Minister of Finance; he is a big interest man. But, sir, I feel that when the people intelligently grasp this problem their judgment will be sound, and therefore I support the Minister of Finance in the attitude he has taken with respect to this question.

The other day from inquiries I had made I learned that even where mergers had taken place, one of the big three or the big four that the member for Macleod referred to immediately opened in the towns where, before the merger, there was more than one bank.

Credit, about which we hear so much, depends upon many things. The late J. P. Morgan is supposed to have said that he regarded character as a more important factor in determining the credit to which a man was entitled than his assets. This is partly true. But wherever in remote western communities there is a bank, in not one instance—and I have acted for Canadian banks during part of my life in one capacity or another and have been closely associated with them—I say there is not one of those banks that to my knowledge has not been ready and willing to give credit to any settler in the community, provided always, on an analysis of conditions, he possessed high character. Sometimes a little security was desirable, but if a settler possessed high character the bank managers in their judgment believed they could safely lend him somebody else's money. Ah, Mr. Speaker, somebody else's money! Will the house please keep that in mind? Somebody else's money. And how often we are willing to be generous with other people's money! That is the basis of the whole problem. Credit, so far as the banks are concerned, consists of the determination of this single question of the management: Are we warranted in lending the savings of widows and orphans, mechanics, machinists and other workmen to the man who applies for a loan? That is the whole question in relation to the chartered banks of this country, and when

the answer can be "yes" to that question, credit is as free as air. Always men build up their reputation for credit to enable them to get money. They build up their credit over a long series of years by the promptness with which they pay their debts, by their known habits of integrity and honour, and their general reputation in the community in which they live. Sometimes I have said to banks with which I was associated: You are warranted in lending this man any sum he wants to borrow, because he would not take other people's money if he felt he would not be able to repay it.

We have hedged our Bank Act around with many restrictions. We have limited the rate of interest, which is not always observed; we have limited the amount of loans that may be made to one class of customer to a certain percentage of the bank's capital; we have determined that banks may not lend money on real estate; that they may not make advances on the security of grain and other commodities except as specified. In the restrictions we have imposed with respect to the loans which may be made by banks we have to some extent actually invited mergers. Why? Because in these days of large accounts and great enterprises, if you go to one of the smaller banks and want to borrow a considerable sum of money, the management will say: We cannot do it; but if we are joined to another bank with its larger resources, then we shall be able to transact such business.

While I am on my feet there is just one other thing that I may deal with to-night, although I had not intended to, but it is somewhat related to this matter. I have read that our banks are lending their money with great willingness in New York, and that it is hard to get loans in Canada. My friend from Wetaskiwin (Mr. Irvine) smiles; he has heard it so often, as have my friends to my left. Let us look at that for a moment. If the house has been good enough to follow me in my rambling observations, they will recall that the solvency of a bank depends on its ability to meet the cheques drawn upon their accounts by the people who deposit their money with it. This means that the bank must always keep in liquid form increasing sums of money, depending on the conditions of the times. If money lies idle in the bank it earns nothing, and of course you will get no interest then on your deposits. Banks must either employ their money or pay no interest on it. There is no large call loan market in Canada. So they loan this money on call in the city where there is a large call loan market—the greatest in the world—where the loans by banks to brokers to-day are nearly six billion dollars. They lend this money because it is always available to meet the cheques drawn by depositors on their funds, and if they tied it up in long loans for three or four months they would not be able to meet the demands made upon them by any depositor who drew his cheque against his account. That is the reason.

Mr. COOTE: May I ask my hon. friend a question before he sits down? I wonder if he would care to express an opinion as to how many bank mergers we should permit in Canada from now on.

Mr. BENNETT: Now my friend from Macleod has once more given evidence of his willingness to make that appeal to passion and to prejudice which is so essential for the carrying out of the propaganda in which he and others are engaged.

Mr. COOTE: Not at all.

Mr. BENNETT: When my friend talks of how many bank mergers you will permit, he knows that first of all the shareholders themselves are the people who determine whether or not they want a merger, and that the Minister of Finance determines whether or not in the public interest and for the safety of the depositors permission for the merger should be granted. Those are the two things. First of all the body of shareholders, being the proprietors, must agree. The minister is not concerned with them. He is concerned about the depositors and the treasury. I am satisfied that I might ask my friend with equal force: How many people would you permit to grow wheat outside the pool? It is the same question. When you ask how many, you must always have regard to the responsibility that rests with governments and ministers. When I heard my hon. friend from St. Lawrence-St. George (Mr. Cahan) speak to-day as he did I realized that he was voicing a great truth. You can have no progress if at every step and at every stage you are to say, "Men are actuated by wrong motives and by a desire to do the wrong thing for personal aggrandizement as against the public interest". When my hon. friend suggests that the time may come when the banks will have been reduced in number to one, I say that he shows little confidence, little faith in the integrity of the public men of this country in believing that

there could ever sit in the great office of Minister of Finance any man who would countenance an amalgamation or a merger unless it were in the interests of the depositors and to prevent raids upon the public treasury.

Mr. H. E. SPENCER (Battle River): The hon. member for West Calgary (Mr. Bennett) is not the only one who has come to the support of the Minister of Finance (Mr. Robb) in his decision to allow the last merger to take place. Although I am not in favour of mergers, at the same time I fully realize that they are in many instances, things which we cannot stop. We are passing through an age of mergers: we have the cement merger, which has gobbled up many small cement plants; we have the canners' merger, which put an end to the life of many a small canning factory; we have mergers all along the line. I cannot see that it is anything but a purely natural, evolutionary process, and it applies to bank mergers as well. I do not like to see them but I do not see how we can stop the process. I say candidly, in support of the action of the Minister of Finance, that I am quite sure he would not have stood for the merger had he not thought that it was in the very best interests of savings depositors. No doubt he supported it because he knows fully as well as I do the position of savings depositors in the case of the failure of a bank. I will not go into details; everyone can turn to the evidence which was given before the banking and commerce committee a year ago. The minister knows quite well that the savings depositor, in the case of a bank failure, stands a very small chance—and not the first chance by any means—of recouping himself 100 per cent. It did not surprise me to see the hon. member for West Calgary coming to the support of the Minister of Finance, and I congratulate the minister upon having obtained such support.

In what I am going to say on this subject, I intend to follow a very different line from that taken by the hon. member for West Calgary. A good many statements have been made with regard to depositors' money, and particularly the savings deposits of widows and orphans; and to my utter surprise the hon. member for West Calgary gave the house to understand that he believed that all loans were made from borrowed deposits. Furthermore, he rather intimated that most of these borrowed deposits were widows' and orphans' savings. It reminded me of a statement made in the banking and commerce committee by an hon. member of the house in 1923. Becoming rather tired of the technical discussion that had been going on, he said, "What is the good of our debating this question any longer? The fact of the matter is this: the banks have quantities of money in their safes. A man wants money and he goes and puts up some security; the banker then goes to the safe, gets an armful of money, brings it up and gives it to the customer." That gentleman spoke as though he belonged to the stone age.

I cannot appreciate the remarks of the hon. member for West Calgary to-night after the very able speech he made two years ago with regard to certain reforms which he recommended in connection with finance. Anyone who has given any study to this subject knows that we do not necessarily lend deposits to those who want to have loans. I agree with a very able man who gave evidence before the banking and commerce committee in 1923, Major C. H. Douglas of London, England, who is recognized as one of the financial critics of to-day. He made the statement that it was not necessary for a banker to take deposits; he pointed out that deposits were taken as a smoke screen to cover up greater activities. I make this further statement, that a banker can take too many deposits. I will quote two other men to support my view that there is no necessity to take enough deposits to make all loans. You have only to refer to the statement made by Professor Adam Shortt to the Manitoba Agricultural College in 1919 with reference to the method by which loans were created. He told the students there that it was purely a matter of collateral being lodged with the banker. To-day we are in the checking period; cheques comprise 96 per cent of the medium of exchange. Professor Adam Shortt made the statement at that time that in the case of a government making a $15,000,000 loan through the bank, the promise of the government being a gilt-edged security, there was no draw on the deposits in the banks with which they dealt. You have only to turn to the other side of the Atlantic, to the Right Hon. Reginald McKenna, of the Midland bank, whom I was glad to hear the hon. member for West Calgary mention. That gentleman was quite open in the statement that the amount of money in circulation—and he referred to all mediums of exchange, including cheque money—was limited only by the wishes of the banks.

I should like to give an instance to show how money is created. A friend of mine wanted to buy some victory loan bonds in 1917. He had no cash but lots of security, and he put up twice as much security with the

banker as he needed by way of loan. He was credited with the amount of the loan; and with its proceeds he bought a victory bond, and turned it in as extra collateral. His crops did not prove successful in the next year, and as he did not want to keep on paying interest on the loan, he sold the victory bonds, paid off his loan, and got his other security back. What was it that enabled him to buy the bonds? Nothing more or less than the security he had. Take another instance. One of our ex-ministers of finance, Sir Thomas White, once made the statement that one year during the war Canada not only surprised herself but surprised the world when she spent twice as much in victory bonds as all the money in Canada—and then, he might have added, we kept enough money to carry on all of our business, which was growing at that time.

It seems to me absurd to say that all the money we loan comprises savings deposits. When we give a bank a charter they have to have a capital of $500,000, of which $250,000 must be subscribed. As soon as the charter is given they are allowed to issue notes dollar for dollar, the only charge being the one per cent tax. Is it to be considered that until they begin to get savings deposits that is all the money they can loan? To me it seems absurd.

Mention was made of the Merchants' bank, that it was absolutely necessary to take over that bank. I well remember the matter coming up before the banking and commerce committee in 1923, and at that time bankers told us from the platform that there were enough assets to pay off all the debts of the bank with $1,500,000 to spare; I remember Sir John Aird and Sir Edmund Walker saying there had been too much hurry in taking over the Merchants' bank. I admit that banks have great privileges, and for that reason they should be responsible to the government. I do not know that the Minister of Finance can do anything else, or, that we could have these things settled in any better way between sessions, under present conditions, but the minister must be responsible to parliament for all details.

The banks have what is called a note privilege. A year ago the amount of government notes in the pockets of the people was about $41,000,000, while the bank notes in circulation amounted to about $184,000,000. I mention this fact because in case of a bank failure the notes outstanding of that bank are a first charge on its assets. Some hon. gentleman might say, "Oh well, that is taken care of by the double liability of the shareholders," but I want to say that that is not the case, because the shareholders do not always pay up. I found last year that the shareholders of the Home bank had not met more than fifty per cent of their liabilities. If we had, as I think we should have, a government monopoly of note issue, then we could dispense with the double liability, and the depositors would be in a much safer position. Of course we have a note circulation redemption fund, but this is more or less of a joke, because the amount obtainable from that fund if a bank fails is limited to the amount put in it by that particular bank. I have often thought, Mr. Speaker, that in our banking system there is room for something else, or someone else, in addition to the Minister of Finance and the work he does, and the inspector general of banks, and the work he does; we might have some sort of banking commission similar to the railway commission or the grain commission, to look after the peoples' interests.

I would like to draw attention to a matter which I had to take up with the Minister of Finance when Right Hon. W. S. Fielding occupied that position. I went to him because of the distress of a certain municipality in my constituency, at the request of the reeve, who wanted some money with which to operate their schools. They could not get credit from the banks; they had a large amount of money owing them from taxes, some $20,000, and they owed the banks some money, but not a great deal. They wanted to borrow enough to run their schools for that year and if they could not get it they would have to close their schools. They were refused credit; the schools remained closed and the reeve of the municipality wrote me. I took the matter up with the Minister of Finance, and he said to me, "Well, is that not purely a matter between the banks and their customers?" I consider that where municipalities or even individuals consider themselves ill treated by the banks they should have some body to which they can carry their grievances. Another case which comes to my mind happened in 1921, when orders came through from the east to shut down on all loans and to cut credit in half. I will admit that perhaps fifty per cent of the people in my district should not expect any more credit, but a large number of them had quantities of collateral and had an absolute right to credit. Because of the arbitrary rule made at that time by a far-off head office they had to cut down their business and make great sacrifices, all because there was not enough elasticity in our banking system.

The hon. member for Macleod cited the very numerous mergers which have taken place, and the Minister of Finance claims it was necessary for these mergers to be permitted. I am not saying it was not necessary, but if it were, the system is not half so perfect as it is claimed to be by those who run it. I was sorry to hear the minister say that he would vote against this resolution; I would much prefer to see it go to the banking and commerce committee for discussion, because a valuable study might be made there. I only want to say again that I have every confidence in the action of the minister, and in the stand he has taken; I have not the slightest doubt but what he did the very best thing for the country under the circumstances, and, as he says, for the depositors, but the very fact that these institutions are continually asking for permission to merge seems to show me and should show this house and the people of Canada that something is wrong.

Mr. L. J. LADNER (Vancouver South): I have only a few words to say on this question, in which I have taken a very keen interest for some years. In the first place I want to concur in the stand taken by the Minister of Finance (Mr. Robb) in refusing to adopt the suggestion that all mergers should receive the approval of parliament. The exigencies of the situation at a particular time may well demand immediate action on the part of the Minister of Finance, and to delay the matter for the consideration of parliament might bring ruin and destruction not only to the bank itself but to a great many people. I was very much interested in the frank statement by the minister as to the reasons why banks are forced to merge, and I was interested also in the fund of information brought to our attention in the very able speech of my leader (Mr. Bennett). There was one observation in particular in the remarks of my leader which caught my attention, that in many cases mergers are brought about owing to the fact that an improvident manager lends to his customers in a manner and for a length of time which makes it impossible for him to meet the demands of the people who are entitled to their money, when they make that demand upon the bank.

It occurred to me that some of the consideration we gave to this question in 1923 might be of value now, and one of the remedies that could be used in meeting this situation would be the establishment in this country of a central reserve bank of rediscount. This institution could take the prime paper of a bank which, in the aggregate of its liabilities, was in difficulties but which had sufficient assets whereby, with the cooperation of a central reserve bank of rediscount or a federal bank, it could be saved.

The deposits of our banking institutions are the life-blood of the organization, and likewise the life-blood of the economic activities of the nation. I would like to place before the house some data I have gathered during the past few years, indicating a situation which will ultimately force consideration by both the government and the public of some remedy.

Out of $2,558,000,000 of deposits in the banks of this country, no less than $2,084,000,000 are in the hands of what is known as the big four. I am not saying there is anything particularly wrong about that at the present time. As my leader said, I believe the banks of this country are in a secure and sound condition, but when you look back upon the course of events during a period of thirty or forty years you will see a line of action which is bound to lead to the situation where there will only be two or three banks left. The public through their representatives will have to find some way to avoid that course.

In the year 1890, thirty per cent of the deposits of the people's money in this country was in the hands of the four large banks, and 70 per cent in the remaining banks. At that time we had forty banks in this country. In 1900, forty per cent of the total deposits were in the hands of the big four, and sixty per cent in the hands of the rest of the banks. In 1923—and I ask the Finance minister to pay attention to this— seventy per cent was in the possession of the big four and 30 per cent in the other banks. In 1928, as of the 30th of June, not 70 per cent but 81½ per cent of all deposits was in the hands of the big four and 18½ per cent in the hands of the smaller banks.

Let me remark here that this does not mean that the smaller banks are becoming weaker or insecure. The security and soundness of a bank is the relationship between its liabalities to the public and its assets and the competent and provident manner in which the bank is managed. A small bank can be just as sound and safe as a larger bank. The point I wish to draw to the attention of the house is the constant deflection of a great quantity of the deposits of the people's money into the hands of the four large institutions.

Let us test this course of events from another point of view. The number of banks in 1890 was forty, and the total capital of all the banks at that time was $60,000,000.

To-day we have ten banks and the total capital is $123,000,000. While the capital has increased twice in thirty years, the business done by our banks has increased nearly ten times.

There is something very significant in the manner in which the capital has been placed. Out of $123,000,000 of capital invested in all our banks, leaving aside the reserve which is used for certain contingencies, no less than $79,000,000 is locked up in frozen assets, mainly bank buildings, leaving a net liquid capital of $44,000,000. To get a proper perspective on this matter, which I think is rather important, you must visualize as an inverse pyramid the liabilities of the banks. The liabilities, including the liabilities to the public, amounted to $3,300,000,000 as of the 30th June, 1928. As of December 31 of last year, they amounted to $3,455,000,000. That inverse pyramid of liabilities amounting to $3,300,000,000 is resting upon a net liquid capital of $44,000,000.

Applying this analysis to the relationship of net liquid capital to all liabilities including liabilities to the public, we find that in 1900 for every dollar of net liquid capital there were liabilities, including liabilities to the public, of six dollars. In 1910 the proportion was one to fourteen; in 1923, it was one to fifty-five and in 1928, the relationship was one to seventy-five.

The point I wish to make in this regard is that over a period of forty years there has been a clear, inevitable course of the centralization of our banking institutions. I believe that a country as vast as Canada, with such scattered settlement and such diversified interests in industry, should have the maximum freedom in banking. Our banking institutions are granted a monopoly of certain rights in the banking business, and properly so. In my judgment, parliament and the government, the media through which these privileges and rights have been granted, have a responsibility to the public. In the face of that certain course of events it is the duty of the Minister of Finance and the duty of the government to give consideration to these facts and to forestall a situation a few years hence when there will be only two or three banks left.

How is that to be done? In 1923 I suggested to the Minister of Finance and to this house, and I am here to suggest it again, that the government should appoint some commission which, along with the bankers' association, could study this question so that some solution might be found whereby this country could adopt some of the principles of the federal reserve bank of the United States, which might be applicable to our system and some of the rediscount principles of the Bank of England and make them applicable in a practical way to this country through a central reserve bank of rediscount. This method could be used as a means of stabilizing or maintaining the existence of the smaller institutions instead of allowing them to be merged and to dwindle out of existence, and thus eliminate the field of competition.

I do not think the bill of my hon. friend from Toronto Northwest (Mr. Church), covering this question of mergers, is sound from a banking point of view, and in that respect I agree with the Minister of Finance. My purpose in rising was to point out, and I wish to repeat, that staring the public men of this country in the face is a course of events over a period of forty years as clear as day. The question is whether they will realize their present responsibilities and duties by endeavouring to avoid in the future complications which will not be in the best interests of the development of Canada.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, I think the demand contained in this bill is a reasonable one and I wish the Minister of Finance (Mr. Robb) would let the bill go to the committee. I have had some experience with banks and to-night I am not at all in agreement with the description of banking that the Minister of Finance or the leader of the opposition (Mr. Bennett) has given us. The banks are a public institution; banking is a public utility, and I have pretty nearly come to the point where I believe very soon this country will have to consider public or government ownership or control of all public utilities. I do not believe we can go on very long with a tyrannical institution such as the banks have become in this country during the last few years. There is a tendency at present, not only in the banking business but in other things, to ignore the decisions and the power of parliament. I hate the concentration of power in any form and I think this bill should go to the committee. But whether mergers are to be stopped, whether they can be stopped by the government, some way will soon have to be found whereby control of credit and direction of industry will not be in the hands of a handful of men as is the case now. The greatest evil which I see in the concentration of wealth and industry in Canada to-day is the power of directing credit, capital and industry.

Indeed, to relate some of my own experiences, a few years ago I visited five banks in my city with a bill of lading in my hand for a car of wheat worth at least $800 or $900, and I asked for an advance of only

$300. No bank would give me that amount. I needed the money to meet an instalment of a mortgage on my homestead. I am one of those who have gone through pioneering days and I have found it my experience in banking that if I wanted money very badly I could not get it, but since I do not want it I can get all I like. This is not as it should be. Why could I not draw $300 by handing over those securities worth at least three times that amount? At the time there were two renegades, one in the banking business and one in the grain trade that had established themselves here in Canada. I refer to the Home bank and the Grain Growers' Grain Company, who were going hand in hand for credit and business. If it had been the will of the bankers' association, they could have taken over the Home bank when it was in difficulties and they could have saved the depositors, but they did not choose to do that. The fact of the matter is that the Home bank would have been out of business in the year 1906 had it not been for a concern in Britain, the Scottish Cooperative Wholesale Company, which was at that time seeking to establish a line of elevators to gather its own wheat in western Canada. The Home bank had become involved a little and the United Grain Growers, which was the Grain Growers' Grain Company then, because of advances that had been received by farmers from other banks, considered their money unsafe when a cargo of wheat loaded at Port Arthur was already coming this way. They put a sheriff on that wheat, to hold it in the hope, I believe, that the ice would simply gather around the vessel fast enough to hold it there until the following spring when they expected to put those two renegades out of business.

In that year too, throughout western Canada, a farmer could not borrow any money; he could not secure an advance on his car of wheat, and at that time the banks, railways, and all the speculating fraternity in the grain trade at Winnipeg had combined in a united effort to compel the farmer to use the country elevator and not the loading platform. Had it not been for the banks the efforts of the other concerns would have been useless, but the fact of the matter is—and the situation is to-day as it was then—our bankers are our grain traders, our railway directors and our directors of industry in other lines as well. It is this concentration of power that I hate.

Again I want to ask the Minister of Finance since he is now so concerned about protecting the depositors of the banks—and this was his excuse for not preventing a merger from taking place just lately: why was it that the government did not protect the depositors of the Home bank? It was known in 1916 that that institution was tottering to its fall and the then Minister of Finance had no other excuse for letting it continue than that it would not do to bring on a bank failure during war time because it would create a panic in Canada. But every one of his friends knew that the Home bank was tottering to its fall and they got out from under the load, while the poor depositors and some of the shareholders as well had to suffer.

Government control of banks in Canada has been a farce, just a false hope of the depositor. It has been no security to those who put their money into those institutions. The responsibility for the trail of tragedies across this Dominion can be traced to the action of the Department of Finance regarding the Home bank. Let me ask: Why, only a few years before that, were the depositors of the Farmers' bank not protected? If the government has control, why does it not exercise it? The leader of the opposition says: "What can the minister do? He cannot wait for parliament." I am inclined to make the remark that what he must do is only what he is allowed to do. It comes down to this, that power is being concentrated in the matter of credit and capital. I think this question should go to the committee and be threshed out there, with a view to finding some means for the decentralization of control.

Motion negatived.

UNOPPOSED MOTIONS FOR PAPERS

LOWER LAKES TRANSHIPPING TERMINAL

Mr. ROSS (Kingston):

For a copy of all correspondence, letters, telegrams, orders in council, reports, and all other documents, between the government of Canada or any representative of the government and any other persons or persons, having reference to the lower lakes transhipping terminal.

BOARD OF GRAIN COMMISSIONERS

Mr. KENNEDY (for Mr. Garland, Bow River):

For a copy of all correspondence, letters, telegrams, and other documents, during the years 1928 and 1929, between the Board of Grain Commissioners and the Department of Justice.

BAY OF FUNDY—GULF OF ST. LAWRENCE SHIP CANAL

On the motion:

Mr. SMITH (Cumberland):

Whereas in the year 1870 the federal government appointed a canal commission to report on proposed canal works in Canada;

And whereas said commission reported in 1871, dividing the proposed works into four classes and set forth "that all the works under the head of first class are really of so great importance and so essential to the welfare and prosperity of the whole country that they should be undertaken and proceeded with";

And whereas the proposed canal across the isthmus of Chignecto was placed in category of one of the first class projects;

And whereas the said proposed canal across the isthmus of Chignecto is the only proposed canal undertaking of the first class that has not been proceeded with;

And whereas said undertaking is of great importance and essential to the welfare and prosperity of the whole of Canada;

Resolved, that in the opinion of this house, it is advisable that the government of Canada take immediate steps to further investigate said project as to feasibility, cost of construction, economic and national advantages to be gained by the construction of a ship canal across the isthmus of Chignecto to connect the waters of the bay of Fundy with the waters of the gulf of St. Lawrence and further that the government be urged to make these surveys and investigations with the least possible delay.

And that when the surveys, estimates as to cost of construction and economic and national advantages are satisfactorily established the government take the necessary steps to proceed with the construction of said canal at the earliest possible date.

Mr. SPEAKER: I should like to have a word with the mover of this resolution, with a view to the alteration of its phraseology to bring it into conformity with the rules of the house.

Motion stands.

UNEMPLOYMENT, SICKNESS AND INVALIDITY INSURANCE

Mr. A. A. HEAPS (North Winnipeg) moved:

That, in the opinion of this house, the committee on industrial and international relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity.

He said: There is hardly any need for me to speak to this motion, Mr. Speaker. Last year the committee on industrial and international relations reported to the house and asked that this same question be referred to the committee at this session for further consideration. I would like the house to adopt the motion so that the question can go before the committee. I understand that the Minister of Labour (Mr. Heenan) is quite agreeable to that being done.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In the absence of the Minister of Labour I may say that my hon. friend is correct in his understanding. The government is quite willing to have this motion passed.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

INTERCOLONIAL AND P.E.I. RAILWAYS—EMPLOYEES' PROVIDENT FUND ACT AMENDMENT

Hon. C. A. DUNNING (Minister of Railways and Canals) moved the third reading of Bill No. 3, to further amend the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act.

Motion agreed to, and bill read the third time and passed.

WAR REPARATIONS

PAYMENT OF $2,500,000 TO CUSTODIAN

Hon. FERNAND RINFRET (Secretary of State) moved that the house go into committee to consider the following proposed resolution:

That the Minister of Finance be authorized to place to the credit of the custodian, out of the reparation money paid into the treasury for losses sustained during the late war, a sum not exceeding $2,500,000 and that provision be made as to the method and scale of payments.

Hon. H. H. STEVENS (Vancouver Centre): May I ask for your ruling, Mr. Speaker, whether this resolution is debatable with the Speaker in the chair?

Mr. SPEAKER: Certainly.

Mr. STEVENS: If the minister is going to make an explanation, all right, but I wish to say something on this question.

Mr. RINFRET: My only purpose in moving the resolution at this time was that I thought hon. members might not have any objection to adopting the resolution without committing themselves to the principle or to the method of payment. My intention is to introduce the bill to-morrow, which will explain fully what the government has in mind. In its present form the resolution is not very explicit, but of course I shall not press the motion if there is the least objection.

Mr. STEVENS: I am not in a position to discuss the full subject matter of the resolution to-night because I have not any material with me, but I can say in a very few words most of what I desire to say.

The resolution merely provides for a sum not exceeding $2,500,000 to be paid to reparation claimants. This question has been before the house now for two sessions, indeed for longer than that, but specifically in the last two sessions. I think it was two years ago

that the minister assured us at the opening of the session that steps would be taken during that session to provide for the payment of such claims as had been passed by the commission, and they had all been passed at that time except a mere half a dozen or so, which were held over and which have subsequently been dealt with. Here are hundreds and hundreds of deserving people—I cannot say at the moment just how many—whose claims were adjudicated two or three years ago. I will mention one case I know of, that of a woman with a family, whose award amounts to $5,000. She is in an absolutely destitute condition, and has been kept during this winter by her church friends, yet there has been in the hands of the government for years this award of $5,000, which the commission approved. Upwards of eleven million dollars is in the hands of the government now. I ask that this resolution shall not pass to-night, and that before it is brought to the attention of the house the government should consider amending it to provide for the complete disposal of all these claims, with the exception perhaps of some group or class upon which they may desire more time for consideration.

Mr. RINFRET: I may tell my hon. friend that the bill which I desire to bring before the house will very likely meet the very class of cases that he has just referred to. My motive to-night was merely to be allowed to put through the resolution without any commitment, which would permit me to present my bill to-morrow for first reading, when every hon. member would know exactly the intention of the government. I do not see that there could be much objection to that, but I will not press the point unless there is unanimous consent.

Mr. STEVENS: If the minister will permit me; he may say that we should not take too seriously statements that appear in the press.

Mr. RINFRET: I may say at once that none of the statements made in the press were accurate.

Mr. STEVENS: Very good. But all the information we have is contained in the statements which have appeared in the press, plus this resolution.

Mr. RINFRET: That is the very point. I want to give my hon. friend full information by bringing down the bill.

Mr. STEVENS: Why when the Speaker read the motion did not my hon. friend give the house the information which he is now saying he has up his sleeve? Let me tell the minister that from the information I have in my possession I am opposed to the resolution as it now stands. This information may be wrong, but it is the best that I can get.

Mr. ROBB: Is my hon. friend opposed to this widow he has mentioned?

Mr. STEVENS: No. The Minister of Finance knows perfectly well that I am not. What I am opposed to is partial payment of these claims; this $2,500,000 is an altogether inadequate sum. My submission is that the full amount of the awards, with the possible exception of some reserved claims that the government may have good reason to reserve, should be included in this resolution. Because this money in the government's hands is not money that should be in the consolidated fund at all; it is money paid over out of reparations. I think this very year the minister received two or three million dollars. I have the public accounts here. He will pardon me if I cannot place my finger right on the item, but I remember seeing it the other day. He will correct me if I am wrong, but I would say that approximately two million dollars was received this year in regard to this fund, and altogether—the Minister of Railways (Mr. Dunning) shakes his head. I say now the government have in their possession upwards of eleven million dollars.

Mr. RINFRET: That is true.

Mr. STEVENS: I ask the Minister of Railways to take the word of the Secretary of State.

Mr. DUNNING: You know better than that.

Mr. STEVENS: I say the government has in its possession to-day some eleven or twelve or thirteen million dollars of reparations money, and that out of that sum every dollar of reparations claims can and ought to be paid. Furthermore, I say that they should have been paid a year or two years ago—many of them. I cannot understand why the government comes before the house with this proposal of only two and a half million dollars. It may be said that certain classes of claims will be paid in full. As I recall the statements made, the classes of claims that are to be paid in full are very small. Many of these claims are by business concerns, and they have been kept out of their money wrongfully for years. They should have been paid long ago. A certain class of claims was paid totalling a million and a half or two million dollars; but those I have referred to and others I think have been wrongfully kept out of their money. I suggest to the minister

that before this resolution is proceeded with further he give to the house, with the Speaker in the chair, and before the principle of this resolution is adopted at all, a very full statement and a very full explanation. I appeal to the Prime Minister and to the Minister of Finance to amend this resolution so as to include the total amount of the awards made by the reparations commission appointed by this government, which commission adjudicated these claims and reported some two years ago.

Mr. ROBB: Is my hon. friend taking the position that unless we pay all the large claims this poor widow will not be paid?

Mr. STEVENS: No. I am taking the position that two years ago all these claims ought to have been paid.

Mr. ROBB: All of them?

Mr. STEVENS: All of them, with the exception perhaps of a certain small group.

Mr. ROBB: What group?

Mr. STEVENS: I might—

Mr. RINFRET: Does my hon. friend realize that I received the report from Commissioner Friel only last year? Therefore how could the claims he dealt with have been paid two years ago?

Mr. STEVENS: The Secretary of State received the report of Commissioner Friel that he had adjudicated hundreds and thousands of claims. Not only had the minister that report in his hand two years ago, but he came to parliament and stated at that session that he would bring in legislation to provide for the payment of those claims already adjudicated upon, and in fact he had a resolution on the order paper. Now then, I contend that this major group of claims, long since adjudicated upon—not a change in them in any way, shape or form during the last two years—should be paid in full. If there are any claims which are still held in abeyance, all right; but let the others be paid. The money is in the hands of the government, and these claims ought to be paid in full. I appeal to the Minister of Finance particularly because the question of money comes more directly under his care, and I ask him to agree to increase this to the full amount of the reparations.

Motion stands.

On motion of Mr. Mackenzie King the house adjourned at 11 p.m.

78594—10½

Friday, February 15, 1929

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 27, to incorporate Barclays Bank (Canada).—Mr. Jacobs.

Bill No. 28, respecting the Pension Fund Society of the Bank of Montreal, the Molsons Bank Pension Fund, and the Merchants' Bank of Canada Pension Fund.—Mr. Guerin.

Bill No. 29, respecting a certain patent of Catelli Macaroni Products Corporation Limited.—Mr. Mercier (St. Henri).

Bill No. 30, respecting The Protective Association of Canada.—Mr. Boivin.

Bill No. 31, to incorporate The Wawanesa Mutual Insurance Company.—Mr. Thorson.

Bill No. 32, to incorporate The Wapiti Insurance Company.—Mr. Thorson.

RULES OF THE HOUSE

PROPOSED REFERENCE OF CERTAIN ESTIMATES TO COMMITTEE—THIRD READING OF BILLS

Right Hon. W. L. MACKENZIE KING moved:

That the select standing committee on standing orders be instructed to consider the advisability of amending the standing orders so that certain estimates may be referred to a committee and so that bills reported from a standing or select committee shall be placed on the order paper for third reading after having been sufficiently debated by the house.

Mr. ROBERT GARDINER (Acadia): I thought that probably the Prime Minister would make some explanation of this resolution, but as he has not done so, I desire to take up the time of the house for a few minutes to discuss it.

This is what we term a double-barrelled resolution, containing two subject matters of importance. To that we take objection. We believe that when two such matters as are contained in this resolution are to come before this house for discussion, they should be separated into two different resolutions, so that the house may be in a position to accept the one and reject the other if it sees fit.

So far as the first part of this resolution is concerned, if the Prime Minister has it in his mind that certain estimates should go to

certain standing committees, we approve of that suggestion. This matter was discussed at some length in the house last year, and the Prime Minister made some promise at the time that the government would take into consideration the advisability of sending certain of the estimates to standing committees in order to expedite the business of the house. I am glad that the Prime Minister has taken this, perhaps the first, opportunity of introducing this matter to the house. So far as the second part of the resolution is concerned, I am rather doubtful of this proposal. It is proposed that private bills after going to a standing committee shall be placed on the order paper for third reading. It would appear from this resolution that on these private bills the house will not go into committee of the whole, and consequently the members of the house as a whole will not have the opportunity of securing the information that perhaps will be secured in the standing committees. To that we take objection.

I would like to call the attention of the house to an anomaly that this proposal is going to create if it is carried through. We are all here representing various constituencies, and in the final analysis every member of this house is on an equality, but when it comes to the question of bills introduced by private members for private persons or corporations, such bills have precedence over bills of a public nature that are introduced by private members, and under those circumstances, no matter how desirous any member of this house may be of trying to secure the passage of needed legislation of a public nature, he is to all intents and purposes blocked by the rules of the house. If there is going to be an opening up, to facilitate the passage of private legislation through this house by ensuring that it shall be voted upon, I submit to the Prime Minister and to the house that the private member introducing public legislation should be put on a parity with the private member introducing private legislation. We have no objection to this matter going to a committee for consideration, but if that committee in its report makes a further discrimination as between public and private legislation, we in this corner of the house are going to take very strong objection to it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I thought the resolution was so worded that no one was likely to take exception to it. It is not, as my hon. friend has said, a double-barrelled resolution; it is a single-barrelled resolution. All the resolution suggests is that the select standing committee on standing orders be instructed to consider the advisability of amending the rules of the house. That is the motion. There are two subjects being referred to the committee for consideration. The committee may report in whatever way it may think best. It may bring in a report with reference to one subject at one time, and in reference to the other subject at another time, and in vew of what my hon. friend has said, that perhaps would be the preferable way for the committee to report. What I wish to make clear is that the resolution does not attempt finally to determine anything; it simply refers to a committee of this house certain subjects for consideration, and report to the house.

As to the two particular matters being referred to the committee, I thought the hon. member for Acadia (Mr. Gardiner) was in complete accord with the government in wishing to have each of these matters considered. The first is the advisability of having a special committee to which the estimates in whole or in part might be referred for consideration. An hon member of my hon. friend's own group has at the present time a resolution on the order paper requesting that that very matter be considered.

Mr. GARDINER: His resolution asks that the estimates be referred to committees of the house, not one committee, but several committees, so that the work could be divided up amongst them.

Mr. MACKENZIE KING: That is a phase of the matter for the select standing committee on standing orders to take into account. The resolution does not commit the house to any particular form whatever. It is left open purposely, so that members of the standing committee may take into consideration all points of view. I think that answers my hon. friend's objection in that particular. I had gathered that on previous occasions the house had felt that two very useful objects would be served were the rules amended so that the estimates, or some of the estimates might be referred to a committee or committees, namely that this course would result in a greater control of expenditure, and greater expedition in the matter of voting supply. The intention is not in any way to limit dis-

cussion in the house, but rather to amplify the means of securing information by enabling members of the house to have the benefit of calling before a committee, and questioning officers of the different departments who are more familiar than the minister himself can possibly be with reasons underlying the request for certain appropriations. That and the saving of time is the sole object the government has in view in wishing to have the estimates considered in whole or in part by a committee or committees.

The other question it is suggested to refer to the committee on standing orders has to do with the procedure in connection with private bills, and is an endeavour to ensure that private bills will be brought to a vote in this house. My hon. friend (Mr. Gardiner) at the last session stated that he thought that was something which ought to be done. I have his words here. He said:

> It is true we may require some amendment of the rules. Personally I should like to see all bills come to a vote, and the members of this house supporting legislation that is not in the interests of the people made responsible for their vote.

Mr. GARDINER: That included public as well as private bills.

Mr. MACKENZIE KING: It may include public bills as well, but it certainly includes all that this motion is intended to cover. I wish to assure my hon. friend that in bringing forward this motion the government had in mind only the endeavour to meet what appeared to be the wish of my hon. friend the leader of the opposition (Mr. Bennett) and the leader of the Progressive party (Mr. Gardiner) and what at the close of last session was promised on the part of the government. I have just had my attention drawn to the fact that a similar suggestion was made by the special committee that amended the rules two years ago. I believe we are perfectly secure in allowing the standing committee to consider both these matters and report upon them to the house. If the report is not satisfactory, it can be discussed when it is before us.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, I rise to a point of order on this discussion. I do not like to intervene, but this is a notice of motion by the government, and I submit that under rule 38 no debate is permissible. The motion either comes within paragraph (a) of subsection 1 or within subsection 2. The rule reads:

> The following motions are debatable:—
> Every motion
> (a) standing on the order of proceedings for the day, (except government notices of motion for the house to go into committee at a later date).

And this is subsection 2:

> All other motions, including adjournment motions, shall be decided without debate or amendment.

This is a notice of motion. The Prime Minister merely gives notice that on a future day he will move such a motion. I submit that the whole debate is out of order.

Mr. MACKENZIE KING: My hon. friend will see in the votes and proceedings of yesterday that notice was given yesterday; I am moving the motion now.

Mr. GUTHRIE: I did not know that.

Mr. G. G. COOTE (Macleod): May I ask the Prime Minister: Would the committee on standing orders be allowed to make any recommendation with regard to public bills and orders, as well as private bills? I rather gathered that from his remarks.

Mr. MACKENZIE KING: I would answer my hon. friend first of all by saying that the committee may do whatever it likes. There is no desire to restrict the committee in any particular; it controls its own business. In the second place, my motion speaks of bills; it does not say private bills. I think that answers my hon. friend.

Motion agreed to.

PRIVILEGE—HON. MR. EULER

On the orders of the day:

Hon. W. D. EULER (Minister of National Revenue): Mr. Speaker, as a matter of privilege, and because it is of some public interest, I should like to be given an opportunity of making a correction of a news item which appeared yesterday in the Canadian Press, including the Ottawa papers and the Toronto Globe. It has to do with the tabling in the Ontario legislature of the report of the Ontario Liquor Control Board. Portions of the article appear to be quotations from the printed report itself. The paragraph to which I take exception is not necessarily a quotation—as to this I cannot speak definitely, not yet having seen the printed report

—but it received publicity and should be contradicted. This is the paragraph:

Under present conditions much liquor is shipped from Canada ostensibly bound for Mexico and Cuba, but never gets further than the United States.

This undoubtedly has reference to liquors which are exported from the province of Ontario from river and lake ports. I desire to say that for some years no clearances whatever have been given to vessels ostensibly clearing for Cuba or Mexico or South American points. So far as exports through ocean ports are concerned, those must be landed in the country to which they are cleared, because they go out under guarantee bonds for double duty, which bonds cannot be, and never are, released until proper landing certificates are produced by the shipping companies.

INQUIRIES FOR RETURNS

ORIENTAL GRAIN COMPANY

On the orders of the day:

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, on April 16 last an order of the house passed for copies of documents in connection with a claim of the Oriental Grain Company against the Vancouver Harbour Commission. When will those documents be produced in accordance with that order?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish I could tell my hon. friend. I can only promise to have the matter looked into and endeavour to give him an answer later on.

IMPOSITION OR ABROGATION OF FISHING DUTY

On the orders of the day:

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, on March 12 last an order of the house passed for the production of certain correspondence relating to abrogation of duty on fish landed from steam trawlers. I have not yet received the return. I should like to ask the government if I may expect it some time in the near future.

Mr. MACKENZIE KING: I think I am safe in saying, that my hon. friend may expect the correspondence. We will do the best we can to have it brought down.

BRITISH PREFERENCE

FIFTY PER CENT EMPIRE LABOUR AND MATERIAL REQUIREMENT

On the orders of the day:

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, may I ask the Minister of National Revenue (Mr. Euler) if it is the intention of the government to put into effect the clause requiring 50 per cent empire labour and material in all imported goods enjoying the British preference.

Hon. W. D. EULER (Minister of National Revenue): Yes. It came into effect on February 1.

THE BUDGET

On the orders of the day:

Mr. S. W. JACOBS (Cartier): Mr. Speaker, may I ask the Minister of Finance (Mr. Robb) if he is prepared to give us any information as to when the budget is to be brought down?

Hon. J. A. ROBB (Minister of Finance): We are working very hard now in preparation of the budget, and I hope to be able to make my hon. friend a statement before the end of the fiscal year.

CANADIAN NATIONAL RAILWAYS

GRAND TRUNK ACT, 1906-7, AMENDMENT—PENSION FUND

The house resumed from February 12 consideration in committee of Bill No. 2 to amend the Grand Trunk Act, 1906-7—Hon. Mr. Dunning—Mr. Johnston in the chair.

On section 2—Short title.

Mr. DUNNING: Mr. Chairman, this bill was left in committee on account of a legal question connected with section 2. I have taken up with the law officers of the crown the remarks of my hon. friends opposite, and am informed that the desire is to get a citation for pension purposes which will be reasonably concise and will relate specifically to the matter of pensions. The law officers have redrafted the section to read:

The said act as amended by this act may for pension purposes be cited as the Canadian National Railways Pension Act, 1929.

That I think meets the objection raised by the leader of the opposition (Mr. Bennett) and the member for South Wellington (Mr. Guthrie).

Mr. BENNETT: My hon. friend will observe that the effect of his amendment is to designate legislation of ten years ago with legislation of to-day as the Canadian National Railways Pension Act of 1929. This is not customary. If the date, 1929, be left out I can of course appreciate the amendment.

Mr. DUNNING: Apparently the Department of Justice desires to have in connection with the citation of every act a date, and for pension purposes of course this particular act

does complete what was formerly done. At least am I right in assuming that the point my hon. friend raised previously has been cured by this suggestion?

Mr. BENNETT: I think so; but I do not think my hon. friend's method of designating the principal act of ten years ago and this amendment as an act of 1929 is correct.

Mr. DUNNING: For my part, Mr. Chairman, I am quite prepared to strike out the date, 1929, on the assurance of my hon. friend that no legal difficulties will be caused thereby, the reason being that it is a matter of citation for regulation purposes purely. I do not see that it will make any difference whether "1929" is in or not. I shall be glad to meet my hon. friend by striking it out.

Amendment agreed to.

Section as amended agreed to.

Section 3 agreed to.

On section 4—Fund applicable to other companies owned or controlled by His Majesty.

Mr. BENNETT: "1929" in the fourth line should be struck out in this section also.

Mr. DUNNING: Yes; I move that the section be so amended.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

OPIUM AND NARCOTIC DRUG ACT

On the order: The house again in committee on Bill No. 4, to amend and consolidate the Opium and Narcotic Drug Act.

Hon. J. H. KING (Minister of Pensions and National Health): I move that the bill be not now referred to committee of the whole but that it be referred to a special committee consisting of nine members to be nominated at the next sitting of the house, after the chief whips have conferred and made a selection of those whom it is considered best fitted to act.

Mr. SPEAKER: The motion must have unanimous consent.

Mr. BENNETT: We are very glad that this is being done, Mr. Speaker, with respect to a portion of the bill. I have received telegrams indicating that the druggists of the country are very anxious to know exactly what their position will be under the amended and consolidated act, and I am satisfied that there would be a far greater opportunity for medical men on this side of the house who are familiar with the act to present their views if a special committee were appointed. In any event, there would still be the opportunity for discussion in the house when the bill came back, and when hon. members could exercise their judgment in the premises.

Mr. KING (Kootenay): I am having the bill referred to a special committee in view of the discussion we had the last time it was before the committee of the whole, and in deference as well to the representations of the officers of the department and those to which my hon. friend has referred—that is, the views of druggists, who are the legitimate dealers in narcotics in Canada.

Motion agreed to.

CIVIL SERVICE ACT AMENDMENT

PERMANENT APPOINTMENT OF PRIVATE SECRETARIES

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 7, to amend the Civil Service Act (private secretaries).

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Private secretaries, appointment.

Mr. GARDINER: Explain.

Mr. RINFRET: The object of the amendment is to give to private secretaries who are not already in the civil service the privilege of entering therein, but only in the event of the ministers, whose secretaries they are, ceasing to act in that capacity. The amendment is also to apply to the secretary of the leader of the opposition. If my hon. friends will consult the notes which accompany the bill they will see that the question of private secretaries has been on many occasions a matter of concern to the house, inasmuch as there are many different clauses or sections of the act dealing with it. The difficulty is to reconcile the very natural desire of a minister to have a confidential secretary with the equal desirability of assuring a certain degree of permanency in the service to the gentleman who fills that position. Before 1906 the private secretary to a minister was a member of the civil service and received additional consideration of $600 a year. I may point out, however, that prior to that time the minister could appoint anyone to the civil service, and therefore, when

he desired to have the services of a secretary, he could first have him appointed to the service. At that time the remuneration was $1,500, to which could be added the $600 which was the special allowance for a private secretary; or, in the alternative, the minister might choose a man from the service and pay him the additional gratuity. The revised statutes of 1906 embodying the Civil Service Act contain the provision, section 81, that any member of the civil service might be appointed private secretary to the head of a department and might be paid an additional salary, not exceeding $600 a year, whilst so acting. That confirmed the provision which existed before, but owing to the fact that the Civil Service Commission had taken over appointments to the civil service the minister was deprived of the right to appoint his own secretary. In 1908 a change was made in the act, the amendment, as will be seen in the explanatory notes, reading:

39. Any person chosen by a minister to be his private secretary may, without examination and irrespective of age, be appointed for a period not exceeding one year, and paid as a clerk in subdivision B of the second division, and after one year's services as such secretary he shall be deemed to be appointed to such rank.

That gave to the minister the privilege of appointing one man of his own choice; after one year of service this man would become a member of the civil service in a certain subdivision, and would receive a salary ranging from $1,200 to $1,600 plus the additional $600 which I have mentioned, and which always has been a special grant to secretaries belonging to the service. In 1912 the section was amended with regard to the subdivisions of the service open to such secretaries; this gave them a larger salary and a better position. In 1918 that section was replaced by the section now in the act, which reads as follows:

Any person may be appointed by a minister of the crown or other member of the government to be his private secretary, and if such person does not hold a permanent position in the civil service he may be paid such salary as the governor in council may prescribe. If he holds a permanent position in the public service he may be paid an additional salary not exceeding six hundred dollars a year whilst so acting.

The position to-day is that a minister may appoint his secretary at a salary prescribed by order in council or else take a man already in the service and add to the salary of that man the $600. The objection which has been made to that situation is that a young man becoming private secretary to a minister has no assurance of permanency in the service; at any moment he may lose his position. The objection which was made to the former provision allowing a minister to choose his own secretary who, after one year, became a member of the service, was this: If a minister wanted to abuse the statute, or if he only made full use of it, he could choose a new secretary every year and allow the former secretary to enter the service, and I am quite sure that this provision was amended for the purpose of preventing any such action. If members of the committee will look at the present bill they will see that we have sought to remedy that possible objection by adding a provision that in the case of a minister ceasing to be a minister, and in that case only, the private secretary of such minister will be appointed to a permanent position in the public service, and I do feel that this is a very reasonable proposal to make. It is not intended at all to give the ministers any opportunity of appointing men to the service without passing the necessary examination, to any greater extent than is required to meet this particular situation. In fact no privilege at all is afforded the minister, because only when they cease to be such do their private secretaries receive an appointment in the service. If hon. members will look at the sections I have read, which are printed in the bill, they will find that while this may seem a small question to some of us it has received the consideration of the house on many occasions in attempts to find a solution for it. The proposal we now bring forward is that if a minister chooses as his private secretary a man from outside the service, such secretary will have the security of an appointment to the permanent service if, for one reason or another, his minister ceases to act as such.

It may be pointed out that this will add many civil servants to the different departments, but I do not think that point arises; if a minister picks a man from his department, instead of appointing a man from outside the service, that man will have to be replaced in any event. For instance, if instead of choosing my secretary from outside the service I went to the companies branch, the naturalization branch or some other branch of my department for a man, that man would be replaced by someone else, and when I ceased to act as a minister the man I selected from my department as secretary would have a right to return to the service. So I do not think this proposal will add to the number of public servants; it will merely provide as a qualification for permanent appointment in the service the number of months or years given by a private secretary to the work of his department. I appeal to the reason of

the committee and ask if an examination in geography, history and other subjects is a better qualification for employment in the service than the work put in by a private secretary who handles all the correspondence of the minister, who is in touch with the heads of all branches and who is thus put in a most excellent position to become familiar with all matters pertaining to that department.

I am in the hands of the committee if any further information is desired, but I wish to add merely as an act of courtesy that while the secretary to the leader of the opposition is included in this bill, that was done without the least suggestion from either the leader of the opposition or his secretary; it was done by the government in the view that the gentleman occupying that position is in exactly the same class as the private secretary to a minister. In that connection I might point out that in most cases when the leader of the opposition becomes the Prime Minister, which is the ambition of every leader of the opposition, his private secretary goes with him, while the private secretary of the Prime Minister usually becomes the private secretary of the leader of the opposition. So I do not think there is any probability of a great many public servants being appointed in this way.

We feel great sympathy for the young men who work with us and who give us, the government and the country their very best services, yet we know that by a vote of this house, or an event which might affect only one minister, one or more of them may be deprived of their positions in a day. I do think that the work of a private secretary is a better qualification for appointment to a position in the service than any examination which might be conducted by the Civil Service Commission, and I commend this small bill to the sincere attention of the house.

Mr. GARDINER: Would this proposed amendment be retroactive to past secretaries?

Mr. RINFRET: It will be applicable to secretaries acting as such now; my hon. friend will note that they must have served for the period of one year.

Mr. GARDINER: It is possible, when there is a change of ministers, that the new minister will not utilize the private secretary of the former minister. I know of such a case at the present time, and I would like to know if the former private secretary would be in a position to secure a position in the civil service.

Mr. RINFRET: There is nothing in the act to prevent any minister using the private secretary of a former minister. Where a minister retired for some personal reason it is quite likely that the incoming minister would use the services of the private secretary. However, I think my hon. friend will agree that when there was a change in government it would not be fair to ask the minister, of another party, to use the secretary who had served under a former government.

Mr. GARDINER: I recall a case where a minister of the present government retired and the secretary was not kept on by the next minister. I want to find out if this legislation would be pertinent to that particular case. If it is merely to cover the present and future private secretaries, I am quite content.

Mr. RINFRET: I think it is only fair to let the incoming minister be the judge in such matters.

Mr. CHAPLIN: I would suggest that the minister answer the question asked him.

Mr. RINFRET: Taking my own case, there was a very excellent man in the department but he could not act as my private secretary because he did not understand French. I hope my hon. friend has enough confidence in the stability of the present ministry to feel sure there will be no sequence to this bill for a great number of years.

Mr. GARDINER: I am afraid the minister does not understand my question. I am quite content with this legislation if it is only to be applicable to present or future private secretaries, and I asked the minister to state whether that individual, who is not now a private secretary, would be eligible under the statute for a position in the civil service.

Mr. RINFRET: It does not apply to former private secretaries, but only to secretaries acting as such at the present time.

Mr. GARDINER: That is all I wish to know about that. I would like the minister to tell the committee what salary a private secretary would receive when he would go back into the service as a chief clerk.

Mr. RINFRET: The average salary for a private secretary at the present time is $4,080, which includes the last flat increase which was given two years ago. The position of chief clerk, which is proposed in this bill, would pay a salary ranging from $3,120 minimum to $3,720 maximum. This follows out approxi-

mately the principle which has always existed whereby secretaries received an additional $600. When they ceased to be private secretaries and went back into the service they lost that amount.

Section agreed to.

Mr. BENNETT: I desire to express, on behalf of that person who will hereafter occupy this office, my very sincere appreciation of the minister's explanation. I had not heard of this provision until I saw it in the bill, but I think it is a very fitting recognition of the duties that may be rendered by some person as private secretary to whomever may occupy this position. I say this in justice to my hon. friend's usual courtesy and fair-mindedness in this regard.

Bill reported, read the third time and passed.

WAR REPARATIONS

PAYMENT OF $2,500,000 TO CUSTODIAN

Hon. FERNAND RINFRET (Secretary of State) moved that the house go into committee to consider the following proposed resolution:

That the Minister of Finance be authorized to place to the credit of the custodian, out of the reparation money paid into the treasury for losses sustained during the late war, a sum not exceeding $2,500,000 and that provision he made as to the method and scale of payments.

Mr. MACKENZIE KING: I understand it is the wish of hon. gentlemen opposite not to go on with this resolution to-day, but to take it up some time next week.

Mr. BENNETT: If you please.

Motion stands.

MILITARY PENSION ACT AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Militia Pension Act in respect to the computation of the amount of pension payable to officers retired compulsorily or seconded, to be based upon the average annual amount of pay and allowances during the three years immediately preceding retirement, and to amend the procedure for computing the pension for an officer who has served as a member or associate member of the defence council for a period of not less than three continuous years.

Mr. BENNETT: Explain.

Mr. RALSTON: The object of the bill which will be founded upon this resolution is as set out in the resolution. The first part introduces a principle which will change the existing order so far as the pensions of officers are concerned. As hon. gentlemen know, the provisions of the Superannuation Act are that civil service pensions shall be based on the average of the salary for the last three years of service. This same principle applies to the pension payable to non-commissioned officers and men, but for some time the pension payable to officers has been based on the amount they receive at the time of their retirement. This permits a situation whereby pressure may be brought to bear to increase the salary just before an officer retires, in order that the pension might be increased. It is sought to bring the pension payable to officers under the same principles as apply to civil servants, non-commissioned officers and men.

I do not think the second part of the resolution is a very important matter. The members of the defence council are generally staff officers or senior officers who are appointed under the regulations for four years. These positions are generally regarded as the highest which can be attained in the service. At the end of the four-year period, or whatever extension there is, they have to go back to some position which pays a lower salary, with the result that the amount of their prospective pension is cut down. The proposal is to allow those officers who have attained sufficient seniority and efficiency in the service to take positions as members or associate members of the defence council, to have their pensions, when they retire, based on the average of the three years' salary received by them as members of the defence council.

Mr. EDWARDS (Frontenac): Do the officers who benefit by the pensions contribute in proportion to the rank or the salary that they receive?

Mr. RALSTON: They contribute a percentage of their salary.

Mr. BENNETT: Might this not work an injustice in some cases having regard to those who, say, yesterday may have been pensioned on the basis of six years' salary and those who the day after to-morrow may be pensioned on the basis of three years' salary? Perhaps the committee is the proper place in which to ask that question.

Mr. RALSTON: I may say that the provision is that this is not to apply to officers now in the service.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. CLARK: One effect of this resolution will be to prevent the giving of a promotion at the end of a period of service for the purpose of giving increased pension.

Mr. RALSTON: That is quite right. Such a promotion would only increase the average amount. That is to say, the extra amount received on account of such promotion would be totalled in the three years' pay and the whole divided by three and promotion therefore would not have the same effect as it has at present.

Mr. ROSS (Kingston): The minister will have to answer some questions from the service. If officers are allowed to come here and put in, say two, three or four years, how is the minister going to explain the refusal of an increased pension to certain ones who put in three or four years' service during the war? There are both non-commissioned officers and officers who, after they had retired on pension, came back and gave three or four years' service during the war. For that they have received nothing in the way of an increased pension. The minister will have to meet criticism in this regard if he is going to give an increased pension to some person who goes to headquarters and serves three or four years there.

Mr. RALSTON: I am afraid I have not made myself clear. I am talking only about those who are members of the defence council. The other method would be to allow those members to remain and to retire as members of the defence council. In many cases that may be advisable as regards the individual, but it is hardly fair to other officers in the service who are qualified and who ought to have their turn at headquarters. Therefore it is felt, even though the members of the defence council are qualified, that in the interests of the service it is perhaps well to have what one might call demotion, at least reduction in salary to go back to a district. Yet it is felt that in view of seniority and qualifications, they might well be paid a pension based on the salary they have received as members of the defence council.

Mr. ROSS (Kingston): I am pointing out that the minister will receive criticism in regard to those people to whom a pension has been refused.

Mr. CLARK: A distinction is made between officers of the same rank in the service. That is to say, an officer serving in command of a district with a rank perhaps senior to that of a member of the defence council, might draw a smaller pension than an officer of a junior rank.

Mr. RALSTON: That is the case to-day. Members of the defence council are not paid on the basis of rank; they are paid on the basis of salary.

Mr. POWER: It seems to me that the object as outlined in the first part of the resolution may be defeated if the second part carries. As I understand the matter from the explanation given by the minister, the average annual salary is to be taken into consideration in computing the pension. The minister quite properly said that one of his reasons for bringing down this legislation was that he wished to prevent pressure from being brought to bear upon the department and the minister to have rather rapid promotion given at the end of an officer's military career; but as I understand the matter, members of the defence council and associate members, whatever they may be, obtain slightly higher salaries than officers carrying on their ordinary duties. Therefore in another way pressure will be brought to bear upon the minister to make officers members of the defence council, say for a month or two or three months so that they may benefit on retirement by receiving an increased pension. I may be wrong in that assumption, but I am simply pointing out to the minister and to the committee that this might be one of the consequences of passing the second portion of the resolution.

Mr. RALSTON: I endeavoured to foresee that very situation, and when the bill is introduced my hon. friend will see the provision—and it is also in the resolution—that a man must be a member of the defence council for three years before this applies. He cannot qualify for an increased pension by being a member of the defence council for three, six or nine months.

Mr. CLARK: Take the case of a district officer commanding who has held the appointment for, say one year. Will this amendment make any difference in the pension which he will draw?

Mr. RALSTON: It would in the case of a district officer commanding who enlists after this measure is passed. My hon. friend will understand that I am one of those who believe as far as possible in preserving what may not be contractual rights but at the same time what may be the understanding when a man enlists. There are times, however, when the public interest requires some change. I understood that this was a somewhat far reaching change and therefore provision is made that this legislation shall not apply to any persons now in the service; it shall apply only to those who enlist afterwards.

Mr. CLARK: That is just the point. If we are going to amend the Pension Act, it would be a good thing to amend it so that an officer would draw a pension based upon the average salary over a period of three years, because if we do that, it will prevent the very thing which I mentioned at the outset, namely, giving an appointment to a man after, say long service, in order that he may retire on a higher rate of pension. If the minister will make a search he will not have very far to seek to find that that has been done.

Mr. RALSTON: I agree with that thoroughly, and I am endeavouring to correct it for the future. I would feel some hesitation about doing away with the principle under which these officers have been serving and are in the service at the present time. I would be glad indeed to concur in my hon. friend's suggestion except that it seems to me it perhaps interferes with at least some possible moral claim that an officer at present in the service might have to have the terms of service maintained during his period of service.

Mr. CLARK: I am afraid I do not follow the minister. I should like him to point out what is in the contractual relation which would justify a man in expecting a promotion just before retirement in order to draw a higher rate of pension.

Mr. RALSTON: There is nothing to justify that except what my hon. friend has just suggested, namely, that there are instances where promotion has been made immediately prior to retirement. There are instances where promotion has been made just before retirement.

Mr. CLARK: Why not extend the amendment to make that impossible?

Mr. RALSTON: Because it would be altering the situation with regard to officers now in the service. I want to assure my hon. friend that that will be discouraged by administration, but after this provision becomes effective there will be no purpose for pressure being brought to bear.

Mr. ROSS (Kingston): Will it be stated in the bill that this provision will refer only to officers enlisting from now on?

Mr. RALSTON: Yes.

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 33, to amend the Militia Pension Act.

Motion agreed to and bill read the first time.

]Mr. Ralston.]

TECHNICAL EDUCATION ACT

PAYMENT TO PROVINCES OF UNEXPENDED BALANCE OF APPROPRIATION

Hon. PETER HEENAN (Minister of Labour) moved:

That the Technical Education Act be amended to provide that any balance of the ten million dollars appropriated under this act unexpended on the 31st March, 1929, shall remain available during any one or more of the five succeeding fiscal years, but no portion thereof shall be paid to any province after the 31st March, 1934.

Hon. H. H. STEVENS (Vancouver Centre): I would suggest to the ministry that when these resolutions are moved, an opportunity should be given to us for discussion.

Mr. HEENAN: I did not think it was necessary to deal with this matter in detail, as full information can be given when we get into committee on the bill. As hon. gentlemen will recall, the Technical Education Act was passed in the year 1919. It provided for assistance to the provinces in the matter of technical education for a period of ten years. Some of the provinces did not take advantage of the act when it was first passed, and the purpose of the amendment now is to extend the act for a further period of five years to enable the provinces which did not take advantage of the act to earn their proportion of the grant.

In the year 1910 a royal commission was appointed to inquire into industrial training and technical education. That commission reported in the year 1913, and recommended that assistance be given to the provinces to the amount of $30,000,000, the grants to be used for technical education, agricultural instruction and industrial research. The Agricultural Instruction Act expired some years ago and on its expiration it was extended for one year. The Technical Education Act expires in March of this year. The government is now going into industrial research quite extensively, involving an expenditure far greater than the amount that was originally recommended for technical education. During the Dominion-Provincial conference it was made quite clear by the representatives of the provinces that they did not desire the federal grants to be continued or extended if there were any tags on them. Rather they felt that any federal assistance that was given should be by way of general subsidy.

As I have said, I can go into details more fully when the bill is before the house. Briefly, the purpose of the amendment is to

extend the period for five years, in order to enable those provinces which did not take advantage of the act in the first place to earn their portion of the grant.

Mr. STEVENS: At the opening of the session I placed on the order paper a question asking the ministry if they had received requests for the renewal of the $10,000,000 appropriation made in 1919, and asking further if the government had given any consideration to the matter. The Prime Minister replied that the government had received such requests, and in answer to my last question about giving consideration to the matter, his reply was:

Yes. Notice has been given of legislation to be brought down during the present session providing for the amendement of the Technical Education Act. This legislation will set out the intention of the government.

I had hoped from the nature of that reply that the legislation might have been of the character alluded to in the first question, namely, an extension or renewal of the grants for technical education. Little need be said in support of the contention that these two grants—I think there have been two grants of $10,000,000 each—for technical education have proved of immense value to the Dominion of Canada. If that is the case, I believe the immediate future would warrant in even a stronger manner the continuance of the grants, because never in the history of this country was there such a broadening of opportunity for young Canadians who have been technically trained as the future seems to hold forth. We have developed in recent years huge water-powers, with the result that industrial expansion is assuming very considerable proportions, which we hope will go on increasing from year to year, and offering at least some opportunity to stay the exodus of our brighter young men to the wider opportunities offered in the United States. Therefore, to my mind, if we were warranted in 1909 in granting $10,000,000 for assistance in the matter of technical education, and again in 1919, we are doubly warranted at this time in continuing the grants. It has just been suggested to me that I am in error in saying there were two grants, and that only one grant of $10,000,000 has been made. I had thought that there were two, but I am subject to correction. But in any case my point is that at this time we are warranted more than ever before in making this further grant.

I have before me the report of the legislative program of the Trades and Labour Congress of Canada, dated January 8, 1929. While it may be that we cannot at all times agree with all of the suggestions of the Trades and Labour Congress, I believe that their utterance in regard to technical education will be received with favour and approval by almost every member of the house. It reads as follows:

Reenactment Technical Education Act 1919. It is to be regretted that the government has not yet seen fit to reenact the Technical Education Act of 1919 which expires on March 31 this year, as we are convinced that without federal assistance technical educational activities in the various provinces will be restricted. We believe that the Premier of Ontario stated the case clearly, when in a press statement published May last, he said:

Then they quote:

The Technical Education Act passed by the Dominion in 1919, did not encroach on the prerogative of the provinces. It did not assume to take control of any schools; it left the responsibility for the administration of technical schools strictly to the provinces to which it belongs by constitutional right.

The act was, in fact, a financial measure dealing with federal funds. It undertook to use federal money to promote and assist technical education in Canada. In other words, the Dominion sought to induce the provinces and the municipalities, on the assurance of federal assistance, to undertake a very expensive service to the country, on a larger scale than would otherwise be possible.

That is the end of the quotation of the statement by the Premier of Ontario. Then the Trades and Labour Congress proceed with their statement:

Reiterating our statement presented last year we would emphasize that technical education is an essential part of apprentice training, and as such, lays the foundation for industrial efficiency. which reflects itself in Dominion revenues. For this and similar reasons we again advance the opinion that the Dominion government could properly continue grants for technical education and urge the enactment of legislation to make this possible when the act of 1919 expires.

I particularly direct the attention of the right hon. Prime Minister, whose sympathy I know is in line with this sort of legislation, and of the Minister of Labour to this point made by the Trades and Labour Congress:

that technical education is an essential part of apprentice training.

In other words, the Trades and Labour Congress draw attention to the advisability of promoting in Canada what is the common practice in the older countries of Europe, development of apprentice training among the various industrial activities of this Dominion. I think we have been woefully neglectful in this regard. Certainly in some industries which are highly organized and well established apprentice training has been carried

on, but in many branches of artisan activity apprentice training has not been practised. For instance, this winter I noted in Vancouver—whether it is followed elsewhere or not I do not know—that among the building trades they have introduced a system of apprentice training. It has been in operation for the last few years, and I was advised only a few weeks ago that the results have been eminently satisfactory, that many young men taken from the technical school established under this vote of 1919 have been introduced into the building trades and are proving to be most efficient and capable workers, and in fact are likely to become the natural successors of the contractors and builders. That is a splended work. That alone is an excellent result to achieve. But that is only one narrow branch of activity. The technical education provided for in the provinces extends to many branches of activity, and so I think, Mr. Speaker, we should very seriously consider extending the grant before disposing of the question.

There is another phase to which I wish briefly to refer. It is the statement by the Premier of Ontario which I have already quoted:

> The Dominion sought to induce the provinces and the municipalities, on the assurance of federal assistance, to undertake a very expensive service to the country on a larger scale than would otherwise be possible.

Now, that is not a complaint, it is merely a statement of fact, that after an extensive study by the Dominion parliament, through a commission, extending over a period of four years, a very elaborate report was made. It was a report of nation-wide importance. The report was recognized by the government of the late Sir Wilfrid Laurier, and by the succeeding government of Sir Robert Borden, as of sufficient importance to warrant this Dominion as a whole taking it into consideration. The report is in the library and is a very elaborate and a very excellent piece of work. Then parliament made this grant of ten million dollars. With what result? Unfortunately I have not under my hand the details, but suffice to say that most if not all of the provinces took advantage of the grant and established technical schools. I refer again to Vancouver merely because I am more familiar with it than with any other city. Last year the Minister of Finance (Mr. Robb), the Minister of Labour (Mr. Heenan), the Minister of Pensions and National Health (Mr. King), the Postmaster General (Mr. Veniot), the Minister of Trade and Commerce (Mr. Malcolm) and I think the Minister of National Revenue (Mr. Euler) were in Vancouver and saw the magnificent school which has been established there. It is a huge series of buildings built by the province and the city with the assistance of this grant. In those buildings is now housed the school which has been organized over the last three years. The school at first was established in a comparatively small building in the centre of the city. Now it is housed in this magnificent building, and scores of young boys of high school age are attending and receiving technical education. It was a big capital investment. This is not a poor man's plea, but I put this to parliament. Parliament having undertaken the investigation of this subject, parliament having secured a report thereon, and parliament having acted on that report, surely now parliament is justified in considering whether or not the results to date justify a continuance of the grant. That I think is a fair question. I submit to the government that practically all of the provinces have played the game in the matter; they have established these institutions and have made excellent progress. Now I suggest to the government that they should for another ten-year period continue the grants in order to ensure the further establishment of this valuable service for the young men of the Dominion.

One other thought, and I now direct my appeal more to the Minister of Trade and Commerce. The minister, since his appointment to that important office, has given very excellent and intelligent attention to the question of industrial research, which is a subject we have often discussed in parliament and which has been very close to my own heart. He has done very creditable work; he has made efforts much greater than he has been permitted to see carried to fruition. This has been due to lack of funds. Nevertheless he has done, as I say, very good work, having made a splendid start in the last few years. He is going ahead with industrial research—what for? And, by the way, may I express the hope that parliament will double his grant this year. The estimates are not yet down, but I hope that such provision will be made. Now, for what purposes is the minister carrying on this reasearch? He is doing it to assist in the process of converting our vast raw resources in Canada into something like a valuable product for sale to the world at large. Briefly, that is his object. It is to discover new methods of utilizing these materials; to assist industry in expanding its business and organizing itself on a better basis; to find new uses for our raw materials, and so forth. His object is to im-

prove methods, to extend and to broaden the uses of our raw materials, to enlarge our markets, and to increase the efficiency of our plants. That, roughly speaking, is what he is doing. Now, why do we not correlate all this with the improved efficiency of the youth of the country to enable them to take advantage of the opportunities to be created by the minister in the splendid efforts he is making in the industrial research branch?

I say to the government that no money voted by this parliament could be more wisely spent than in an honest, intelligent extension of industrial research, followed, and supported or supplemented, by a grant to technical education to enable our young people to take advantage of the opportunities which we trust will be presented through the expansion of our industrial activities.

I will not speak any longer. I think that this subject is one which has absolutely no partisan aspect; it is something which is vital to the life of the normal Canadian citizen. There is no group of citizens in this country more entitled to consideration than those who will be affected by this legislation. And who are these people? Not the rich; not those who can afford an extended university training; they are the boys and girls belonging to the families of honest, intelligent citizens throughout the country, whose means are restricted and with whom the necessity of earning a livelihood is imminent at all times. It is the boys and girls of such families who will be affected by this legislation. And they are the very backbone of the nation. This question applies not only to the wage earners of the nation, in the broad general sense of the term; it applies to intelligent, enterprising and, shall I say, ambitious artisans, workers and tradesmen. If there is any social work under the sun which is more important than this I should like to know what it is. There is nothing more important than the social work of helping a man or a boy to help himself. I sincerely hope, therefore, that the government will not allow this session to proceed further without giving to the house an assurance that this question of extending the grant to technical education will be taken up in earnest and not merely given "consideration" —because that is a political term sometimes used to hide the desire to evade; all of us have used it. I hope we shall get an assurance that the matter will be given sympathetic study, based upon a desire to meet the needs and requirements of this new branch of education.

Mr. THOMAS CANTLEY (Pictou): I am very glad to be able to endorse what the last speaker (Mr. Stevens) has said. I speak feelingly on this subject because I think it was pretty well recognized a few years ago that the system of apprenticeship in industry was almost a thing of the past. Within the last two or three or five years, however, there has been a change; and probably to-day we have more apprentices working under the old apprentice system in connection with various branches of industry in the country than we have had for some considerable time. The reason for this, to some extent—at all events, in the maritime provinces—is the fact that we have had technical night schools which have given our mechanics an opportunity to obtain some technical education during their apprenticeship period which was not previously available. Only the other day I was speaking to the superintendent of one of our largest works who made this remark: "The one thing that I am more thankful for than anything else is the fact that my father had the good sense to insist upon my serving an apprenticeship as a machinist." Knowledge thus gained is invaluable; it does not cost anything except the effort to obtain it. We have to-day in the maritime provinces, in the town from which I come and in others as well, night technical schools; and in some of our works there is an arrangement whereby apprentices can put in two or three hours a day getting technical instruction at no cost to themselves; in other words, the establishment in which they are employed pays their wages while they are so engaged. That is a matter of very considerable importance, and I would stress what has been so eloquently expressed by the hon. member who has spoken, as to the extreme importance of technical education in this country. I know of no movement more entitled to the support of the minister than that under consideration, and I trust that such steps will be taken as will result in the continuation of and a large increase in the appropriation for technical education in connection with such workmen as I have referred to.

Mr. ALFRED SPEAKMAN (Red Deer): May I for a moment associate myself with those who have already spoken, first, in commending the government and the minister upon bringing forward the resolution which is before us, and in suggesting that it might go further and be adopted as a permanent policy. As civilization advances and as we more and more, in our industry, adopt mechanical contrivances of an intricate character, the need for special training to be given to the men and women who are to operate such machinery and carry on the industries making use of it becomes increasingly important. I might

suggest, also, that there is perhaps no work which is more truly Canadian in its scope. It is true that part of the responsibility for such training rests with the provinces; but it is my opinion, and long has been, that it is more incumbent, in the very nature of things, upon the federal government than upon the provinces themselves; for the lines which separate one province from another are purely imaginary, and the boys and girls trained in one province may possibly—nay probably—find employment in other parts of the country. That is the reason, or one of the reasons, why we urge that this policy of assisting in technical education be extended and made permanent, and that it shall not take merely the form of temporary grants.

No money has been better spent and no action of the government has been more highly appreciated than in respect to this very work. As has been said, this is work which is not only non-partisan in character but is very widespread in its application. I have had the pleasure of meeting in different ranks of life and in different forms of industry some of the young men who have gone through the technical schools and have had the opportunity of obtaining technical instruction. I believe that if this opportunity were afforded more of our young people it would go some distance at least in solving the problem of unemployment, because after all unemployment is mainly found among those people who have had no training for any special work and who show no aptitude for the more intricate forms of labour.

Then there is another matter. More and more we are finding that there is not only keen competition within the boundaries of our own country, under which the efficient win out while the inefficient are trampled down, but there is competition between the different countries themselves and in the long run, in my opinion that country which will wisely train the young men and women who will do the work of the morrow and fit them for the battle of life will succeed in this international competition in which we are always engaged.

I have no intention of taking up more of the time of the house, but I would like very much to see this principle extended and this resolution offered in such a form, either now or in the near future, that we might look forward to a continual and an increasing opportunity being given to our young people all over Canada to fit themselves for a proper place in the industrial life of what we hope will be one of the strongest and finest industrial countries as well as the finest agricultural country in the world.

[Mr. Speakman.]

Hon. R. J. MANION (Fort William): I wish to contribute just a few sentences to discussion of this subject which I think interests all thoughful members of the house, and that means all members. On a number of occasions, both last year and this year, this question has been brought to my attention by the board of education of my city, which is one of the large labour centres among the smaller cities of western Ontario. The board of education is very anxious to see the Technical Education Act continued as it has been up to the present. Last year when the matter was up I put a number of questions to the Prime Minister and drew the conclusion from his answers that the government had decided positively not to renew that act. I believe that was the attitude of the government last year, but without any desire to do other than good to the people who profit by this, if the government carry this resolution to-day later in the session I would like to see them bring in a further resolution with the intention of carrying on this assistance as it has been carried on in the past.

One of the reasons why, before the war, the German nation was so successful in gaining supremacy in so many lines of endeavour was that it went deeply into research work; they trained their workmen and their trade commissioners and others to meet their needs. Largely because of that and, in my opinion, because of their fiscal system, they were rapidly becoming the leading industrial country of the world, and were foremost in a number of lines of endeavour. So I wish to put myself strongly on record as ready to support the government in any effort they may make to carry on this technical education assistance as it has been carried on in the past.

Mr. L. J. LADNER (Vancouver South): I rise to support the very able presentation of the case by the hon. member for Vancouver Centre (Mr. Stevens). I do not know of any question before parliament to-day which is of more concern to the rank and file of the people of British Columbia than the possibility of losing this aid to technical education. Most of us have received resolutions from different public bodies such as the Local Council of Women, parents' and teachers' associations, the Young Mens' Christian Association, Lions clubs, school boards and other organizations asking that this aid be continued, and I observed that the legislative program of the Trades and Labour Congress of Canada strongly emphasized the need for the continuation of this aid to technical education.

I am not sure that I caught exactly what the Minister of Labour meant when he pre-

sented his case this afternoon, but I understood him to say that at the conference of premiers some sort of tentative understanding was reached whereby the different provinces would forego their request for this aid in return for some adjustment of the provincial subsidies. I would like to ask the minister if that is a correct understanding of what he said.

Mr. HEENAN: It was made quite clear by the representatives of the provinces that they did not want any further grants which required federal supervision; they desired that any assistance should be given by way of a general subsidy.

Mr. LADNER: This is an important question; did that apply to all the provinces?

Mr. HEENAN: That was the general feeling of the conference.

Mr. LADNER: The feeling was that they wanted the subsidies supplemented to the extent of these grants for technical education, which would cease at the expiration of this period?

Mr. HEENAN: No.

Mr. LADNER: Then I want to urge upon the government the fact that this grant is of such far-reaching importance to the youth of this country that the government could not take a wiser step than to ear-mark that grant for technical education, for which it has been given during the last ten years. It is not going to do technical education any good to make some arrangement or understanding with the premiers of the provinces that you are going to increase their subsidies and allow them to do what they wish with the money instead of ear-marking it for technical education, and I think if any such idea exists it should not be allowed to continue.

I want to emphasize to the Prime Minister and the government the good effect of this grant as far as the provinces are concerned; I want to urge the need for it at present, and I believe that unless some sort of parental control is exercised by this government this grant may never find its way to the support of technical education. Public interest in this matter is extensive, its importance to the country is clear, but the resolution in its present form would indicate that a certain balance of this money is to be available during the next five years. Would the minister tell us how much that balance is and what portion of it will be received by British Columbia?

Mr. HEENAN: I will be glad to give all that information when the bill is before the house; I would prefer to do so then.

Mr LADNER: That is quite agreeable.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is not often that I have the privilege of agreeing with practically every word spoken from the other side of the house, but in this instance I think I can say that I am in entire accord with practically every expression of opinion given in the house this afternoon with regard to the importance of industrial and technical education and the great service rendered to this country by the institutions which have been established for that purpose. The government is not in disagreement with hon. gentlemen opposite as to the importance of industrial training and technical education. Our only difference is that we believe the time has come when the provinces themselves should carry on the obligation which they undertook at the time the grants of the federal government were originally made to them. While technical education is to be fostered and maintained and developed, it should from now on, we believe, be fostered and maintained and developed by the provinces themselves. The government has been liberal in the assistance given the provinces from the federal treasury to aid in the introduction of these schools and in obtaining the necessary personnel for teaching purposes, and in that particular the obligation the Dominion undertook at the outset has been completely fulfilled.

I believe I have followed the development of industrial training and technical education in Canada as carefully as any hon. member of this house. As minister of labour some years ago, it was my privilege to ask this house to appoint a royal commission to study industrial training and technical education and to gather data on the subject which could be placed at the disposal of the provinces. I remember there was a great deal of opposition at that time even to that simple request. The opposition was based on the ground that the federal parliament had nothing to do with the subject of education, that under the British North America Act education was a matter which belonged exclusively to the provinces. In reply to that contention the government of the day stated that they did not propose to have the federal government become responsible for education, technical or otherwise, but that what they desired to do was to gather through one agency the data which would be helpful to the provinces

in the subsequent development of an industrial training and technical educational system. It was felt that the federal government, through the Department of Labour, might appoint a commission which would visit not only the different provinces of Canada and ascertain the needs for technical education but visit Europe also and report upon the systems of technical education in operation there, and that the information thus gathered might then be placed at the disposal of all the provinces. It was clearly on that understanding that the commission on industrial training was appointed. There was no thought at the outset that the federal government would be called upon to go further than simply to supply the information to the provinces which would enable them to develop their educational systems along lines of industrial training and technical education.

In the report presented by this commission, attention was drawn to the fact that at that time there were no duly qualified teachers for schools of industrial training and technical education, that it would take some little time to train a corps of teachers. It was also stated that there were no buildings in which the work of technical education could be carried on, that the provinces would be put to the expense of building technical schools, equipping them, and training teachers to carry on that all-important work. An appeal was made to the federal government to assist the provinces by a grant for a limited number of years, a grant which would enable a personnel of teachers to be brought into being during the time the provinces were establishing the schools and securing the necessary equipment.

That was the basis on which the Dominion undertook to give assistance to the provinces for a series of years, and it was never contemplated that that assistance was to run on indefinitely. If it had been, this would have been made very clear at the time. I would point out that if such were the intention this parliament might as well say at once that it is going to take over education. Is it the duty of the federal parliament to enter the field of education, whether education be elementary, primary or secondary, or scientific, or is it the duty of the provinces? I do not think there is any doubt about its being perfectly clear, under our constitution, that it was intended the provinces should undertake the work of education.

Education does not mean simply teaching on the old lines of the public and high schools; it means teaching in accordance with the ever-developing range of knowledge and the needs of communities and their interests. The work of education to-day has an emphasis on the industrial and technical side such as it has never had heretofore, and the provinces should be meeting that particular need. I believe they are meeting it very successfully, but up to the present they have been meeting it in part with the assistance of this parliament.

I wish to draw the attention of this house particularly to one fact. When it was recommended in the report of the technical education commission that grants be made, there were not the obligations on the federal treasury which have been imposed upon it since. The report was made prior to the war and since that time there has been an increase in the public debt of Canada of over $2,000,000,000. The annual interest payment amounts to $125,000,000, which is equal to what it took to carry on the whole business of the government of Canada at the time Sir Wilfrid Laurier came into office. This obligation has come during the intervening years, and it is not an obligation that is shared in any way by the provinces of Canada; it falls exclusively and entirely upon this federal government. Had that obligation been apparent at the time the commission made its report, I doubt very much if there would have been a recommendation to this parliament further to assist the provinces in the work of technical education. But in addition to that, there are other obligations which we have assumed and which the provinces have not assumed at all. We have assumed the obligation of pensions payable, first of all, to men who have returned from overseas disabled, and to the dependent relatives of those who fell. The Department of Soldiers' Civil Re-establishment was brought into being to carry out the work of re-establishment. This department has now been changed to a department of pensions and health. There is an annual war pension bill amounting to many millions of dollars, which is an obligation this parliament did not have at the time it undertook to assist the provinces in the matter of technical education. The provinces have not assumed any part of that obligation; they have not assumed an additional dollar's burden as a result of the war.

We have not only undertaken the payment of war pensions in an ever-increasing amount, but we have undertaken to assist the provinces in another field, a field related to industry—namely old age pensions. We are making to the provinces for old age pensions large grants from the federal treasury, which grants will be increasing from year to

year. They were not even contemplated at the time the bill was passed giving to the provinces for a period of ten years, grants for industrial training and technical education.

Mr. MANION: If technical education were properly carried out it would lessen the old age pensions we would have to pay in later years.

Mr. MACKENZIE KING: Let us hope the provinces will see that it does.

Mr. MANION: My hon. friend is arguing to this parliament.

Mr. MACKENZIE KING: I would suggest to the hon. gentlemen opposite that they would be employing their time in argument to better advantage by making to the governments in their own provinces, the speeches they have been making here.

May I continue? Within the last two or three years we have been reconsidering the position of some of the provinces of the Dominion. We have increased the federal grant to at least three of the provinces. The maritime provinces have received increased subsidies, which were not contemplated at the time financial aid was given to the provinces for the purpose of industrial training and technical education. We are to-day contemplating assisting other provinces in a material way, a way which they believe will help them financially. If it helps them financially it will be placing the Dominion in a relatively less favourable position with respect to its finances. We are considering the transfer to the western provinces of their natural resources. We are considering the transfer to British Columbia of lands in the railway belt and Peace River block. The federal government is giving up some of the assets, so to speak, or sources of revenue which it has at the present time, turning them over to the provinces so that they may administer those resources to their own greater benefit. I mention these matters because they indicate the reason why the government does not contemplate further aid on the score of technical education to the provinces. The hon. member for Fort William (Mr. Manion) has understood the position quite clearly for the last year or two, and hon. gentlemen opposite have fully understood the government's intentions. We feel that our obligations, in many particulars, have vastly increased and are increasing, and that we must now consider whether some of the grants that have been given to the provinces should not be discontinued, in view of the larger obligations which the Dominion has to meet and in view also of the fact that the provinces themselves have not had these extra obligations thrown upon them.

Let me add another point which is of importance. The subject of industrial training and technical education is bound up with the subject of scientific and industrial research. We recognize as regards the work of education that it must be carried on in each of the provinces, but as regards research work it would probably be placing the provinces at a considerable disadvantage to expect each province to undertake the obligation of establishing research laboratories with the necessary equipment therefor. The Dominion therefore is undertaking to construct and equip scientific and industrial research laboratories. That work is going to cost the Dominion very much more than the amounts which we have been paying to the provinces in aid of industrial training and technical education. It is going to mean a very considerable increase in federal expenditures, but it is an expenditure from which the provinces will benefit just as much as the Dominion. That is an additional reason why we have thought that as this grant was originally made to enable the provinces to get on their feet, so to speak, in this important work, and knowing, as we do, that not only are they on their feet but indeed that they are very well able to carry on the obligation they assumed at the outset, the time has now come when they should show their appreciation of what has been done, not by asking for more but by continuing to do what they said they would do if they were given the temporary aid.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I had a few remarks to make with regard to this technical education grant, but I am going to change my remarks to conform with the remarks made by the Minister of Labour (Mr. Heenan) and the Prime Minister (Mr. Mackenzie King). To me, notwithstanding what has been said about this technical education grant, it is a shame that after all the work that this commission set up in 1910 has done, this grant should be discontinued. I understand this commission held about 1,400 meetings in Canada; they visited many parts of Europe; they spent about three years investigating the question of technical education, at a cost of about $100,000. In view of this fact it seems a shame that the technical education grant should be discontinued.

I gather from the remarks of the Minister of Labour that the reason for the discon-

tinuance of the grant was that the various provinces did not want any tag attached to it. I do not know what the Minister of Labour had in mind when he made that remark. I wonder whether he thinks that the grant to the provinces would mean an infringement upon provincial rights? The idea in the mind of the Minister of Labour seems to be one of economy; and if his plea is made on that basis, I would say to him that it is the falsest kind of economy. I do not think we can economize by taking away from the young people of Canada the education that is their due. I have always been of the opinion that there is something very fallacious about our educational system in Canada; we have two many square pegs in round holes. Technical education is the thing we need in this country which some day will become a great industrial nation. Theodore Roosevelt saw this very clearly in the United States, and he was one of the greatest advocates of technical education.

It has been said that this grant would be an infringment upon provincial rights.

Mr. MACKENZIE KING: No.

Mr. LUCHKOVICH: In the United States I understand there is an agreement between the federal government and the various state governments whereby they both donate certain sums of money for technical education. This agreement is known as the Smith-Hughes bill, which was passed in the federal house in 1917. I see no reason why we cannot have a similar agreement. Their grant is about the same as ours in Canada, with this difference; that they have not, as we have in this country, definite dates on which the assistance shall terminate. I was very much interested in the remark made by the hon. member for Fort William (Mr. Manion) that the great prestige of Germany has been due to the interest taken in technical education by the German government. I heartily concur in that remark. I have in my hand a statement with regard to technical education in Germany. At the present moment I do not know who the author is, but I think hon. members present will be interested in it. It reads:

> This progressive country also provides splendid technical colleges for the training of engineers, commercial universities for the preparation of men who shall direct the business and industry of the empire, navigation schools, mining schools, industrial art schools, leather schools, textile schools, etc. There is some sort of education offered for every kind of human activity and every grade of worker. The older traditional education is not slighted and generous provision is made for classical education in public schools and universities.

There is an absolute faith among all the people in the power for good education and everywhere honour is accorded to any kind of trained man commensurate with this degree of learning. Is it any wonder that Germany has forged to the forefront of civilized nations in the last thirty or forty years? In 1876 the manufactures, the inventions and the foreign commerce of the separate states were far below those of England and France. To-day, United Germany stands in the forefront rank of the nations of the world in industrial production and she clearly leads all the nations in the application of science to the industry and to the arts. Her position is all the more remarkable because this result has been achieved in a country in which the agricultural and mineral resources are not great and in the face of the burdens, due to long and costly wars, to maintenance of a great army and to the draining of a large part of its population through emigration. The Germans themselves are proud to proclaim that the greatest single instrument in accomplishing their wonderful industrial growth has been technical education.

A few years ago, a number of prominent German manufacturers, educationists and public men, made an extensive tour in the United States with the idea of finding out how serious a competition the latter nation might prove in the future struggle for world trade. Their consensus of opinion was that the United States possessed greater natural resources, a superior factory system, workmen of greater energy, industry and mechanical skill and cheaper railway transportation. Notwithstanding all these advantages, the German experts thought even the existing grip of America on international trade would tend to weaken. They commented on the absence of any adequate system of special education for commerce, banking or foreign trade in the United States. The meagreness of technical education, the trifling annual contingent of chemists, engineers, trained foremen, educated dyers, weavers, electricians and mechanics, as compared with the throng of lawyers, physicians, dentists and unspecialized graduates of colleges seemed shortsighted and improvident. The foreign investigators concluded that on the whole the "American danger" had been greatly exaggerated and that a steadfast adherence by Germany to the technical educational policy and commercial method now in practice will leave the fatherland little to fear in future competition with American manufactured goods.

Mr. DUNNING: Would my hon. friend tell me the authority he is quoting?

Mr. LUCHKOVICH: As I said just a while ago, I am unable at the moment to give the name of the author of this statement, but I can do so later. I think it will be found in Hansard of 1919. In view of this statement, Mr. Speaker; in view of the fact that Germany has become great largely through her system of technical education, and that the United States spends one billion dollars on education alone, I can heartly agree with what the hon. member for Vancouver Centre (Mr Stevens) has said with respect to the continuance of this grant for another ten years.

I do not know whether he mentioned a specific period, but I would certainly like to see this grant continued, not only for ten years, but indefinitely. I believe that the chief aim of any government should be the greatest happiness of the greatest number of its people, and I believe that technical education will bring us to that happy state in Canada, namely, the greatest happiness of the greatest number, because there is no doubt in my mind that the greatest number of the young people of this country will take up subjects of a technical character. We spend about $20,000,000 a year on military enterprise and I therefore see no reason why we cannot spend two or three million dollars a year on technical education.

Mr. J. C. BRADY (Skeena): I should like to say just a few words on this resolution. Already we have more or less agreement on the fact that technical education is of high value. The right hon. Prime Minister (Mr. Mackenzie King) himself agreed with what has been said on that point by those who have already spoken. I am sure that the members of this house must have been considerably enlightened by the résumé which the Prime Minister gave of the history of assistance towards technical education. I bow to his knowledge, because he has particular knowlege regarding that matter. I am sorry, however, that the Prime Minister has failed to emphasize the fact that the most pressing need in Canada to-day is the providing of technical education for the youth of this country. I happened a few moments ago to look at the classification of the various products which we export, and I find that while our exports of agriculture and its subsidiary industries, of lumber, wood and pulp, bring us in immense returns, iron and its products, on the other hand, non-ferrous metals and non-metallic, instead of being an asset to Canada represent a very considerable deficit. In other words, the great primary industries upon which Canada later on will have to depend are being neglected. These are facts which are undeniable.

We cannot at this time take a retrograde step and agree with the Prime Minister that each province is now capable of looking after the technical education of its own youth. Furthermore, I do not think anyone can agree with the statement that was made that it is not the duty of the federal government to participate in any form of education, whether it be academic, scientific or any other form. That is not in accord with the history of education in the older countries of Europe and in the younger countries of the new world.

I may have an opportunity to speak later, but I wish to say now that the technical education of the youth of this country is paramount to every other necessity facing us to-day. Is it not a fact that in our high schools and colleges we have not more than 20 per cent of the school-age population of Canada? Where is the other 80 per cent? The other 80 per cent comprises within its ranks, and has comprised in the past, those who have moulded the history of this country, the men who toil and moil, who become our miners, for instance, the people who are the backbone of all development. These young people are not receiving the technical education to which they are entitled.

We have heard a very great deal, and we shall hear more, about the prosperity of Canada. We have prosperity in varying forms, but I think I am voicing the honest opinion of every right-thinking man and woman in this country when I say that it would be a retrograde step if this appropriation were diminished by one tittle. What is happening in connection with thousands of our boys? The facts are easy to see. We find that about eighty per cent of our school children do not receive an academic training, and that consequently these should be made to fit in with our industrial life. I do not believe that any province has a greater future in mining and engineering projects than British Columbia, and undoubtedly technical education in that province has been responsible in great measure for the increased activity in mining and engineering work throughout the whole country.

Therefore, Mr. Speaker, I trust that no matter what arguments may be advanced to the contrary, at least this one appropriation, which is of paramount importance, will be continued for the furtherance of technical education in Canada. This is essential in the interests of our boys and girls, as well as of the development of our great basic industries.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, while I recognize the force of the statements made by the right hon. Prime Minister (Mr. Mackenzie King), that the provinces have no legal claims upon the Dominion government, and have been treated handsomely, yet I must associate myself with the appeal which has been made for a continuance of federal support in regard to technical education. Therefore I hope the government will take into serious consideration—not treating this as a political platitude—

a continuance of the grants in aid of technical education. I am glad that the hon. member for Vancouver Centre (Mr. Stevens) said that this is a non-party question, and I hope it will not be made a party question. I wish a good many other questions in this house were discussed on their merits rather than from a partisan standpoint.

As an instance of the necessity of continuing the technical education grant, I may cite the technical school in the city of Calgary. It is in a rather precarious financial condition. I talked to Doctor Carpenter on the subject last year about the time I took it up with the Minister of Labour. I know if the grant were extended for a number of years it would enable that school to get on its feet, and no doubt this would apply to many other technical schools. I am not going into the question of technical education; this is not the time for such a discussion, but I should like to be informed by the Minister of Labour (Mr. Heenan) what is the exact meaning of the resolution. It provides that any unexpended balance of the ten million dollars shall remain available for distribution. I am subject to correction, but I understand that a number of the provinces have already received their full share of this grant. Now, is the unexpended balance to be divided among all the provinces, including those that have already had their full share; or is the distribution to be confined to those provinces which have not yet received their full share?

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, although a number of members have spoken in favour of this resolution, I should not like to let this opportunity go by without urging that not only should this grant be extended, but that the policy of granting assistance by the Dominion government to technical education should be adopted. The labour organizations across the country are most heartily in favour of action of this kind. In fact I can hardly understand the attitude of the government in bringing to a sudden close an experiment which has proved so eminently successful. Those engaged in industry and agriculture as well as educationalists and the general public are in favour of technical education. It seems to me that if the men in control of big industry have at all considered the modern industrial situation they ought to be holding up both hands in favour of this kind of thing.

I am afraid that the British North America Act may be the death of us. It is invoked almost daily in this house as an excuse for inactivity by the federal government. It is quite true that, technically, the provinces have jurisdiction over education, but I submit that an altogether different situation exists to-day from that which existed in this country sixty years ago. At that time education consisted very largely in teaching the three R's to the children in the little local schoolhouses. No one will say that that situation any longer exists. We have passed from being a merely agricultural community to a community in which technical training becomes absolutely necessary to success. Not only in those lines which are generally distinguished as industrial, but in agriculture itself the highest form of technical training is essential. We must recognize that the resources of the provinces have not increased as rapidly as the new responsibilities. In the earlier days the program of education did not involve any considerable outlay.

Some years ago I had the opportunity of serving on a commission on technical education appointed by the government of my own province. In that connection I could not but be impressed by two or three things that in fact have remained with me through the years. One was that our boys and girls had very little opportunity of qualifying for any of the more highly skilled and more remunerative positions in Canada. Nearly all our skilled craftsmen are imported, chiefly from England and Scotland, some from the continent of Europe. We Canadians are settling down to be hewers of wood and drawers of water, or we are going into business and professional life; certainly we are not contributing any very large number of people to the skilled trades. I do not think that is a satisfactory condition of affairs. I should like to see our workers in the very forefront of modern industry.

We should remember that the old apprentice system is a thing of the past, and so our boys have no chance, except in very occasional industries, of serving apprenticeship in the old way. As a result thousands are graduated from our schools to go into what have been termed blind alley occupations.

Our investigations brought another thing home to me—that Canada was lagging far behind in the educational developments which are taking place in Europe and in most of the American states. After touring some of the states and seeing the splendid technical institutions established there, I must confess that when we returned to Canada—I think for the first time in my life I felt ashamed of my own country; we were so many years behind the stage of advancement in many other places. Why should

Canada be behind in these things? I take it that we are in the forefront along certain lines. We boast of our progress, but why cannot our progress be uniform? Why cannot we excel in some of these matters which are so eminently important? It may seem to some that we are spending an undue time in the house discussing this question, but we spent parts of three days discussing whether or not we should have titles in Canada. There seems to be an indifference, however, when we come to discuss matters that are of vital importance to the future of the country.

I take it no one suggests that it is impossible for the Dominion government to assist the provinces in carrying on their educational activities. It is quite open to the Dominion to make grants along the line that has been followed in the past. Such grants have been welcomed by the provinces. The question is rather one of allocation of responsibility. The policy to be decided is, as the Prime Minister (Mr. Mackenzie King) indicated: Should the Dominion government pay for work of this character? He suggests that the Dominion is already overloaded. I believe, however, that a careful study of the situation will show that a great many of the services in the country are being carried on to-day by the provinces. It is quite true that the federal administration carries a very heavy debt incurred through the war; but I do not think that the Prime Minister is correct when he says that the provinces have not shouldered one extra dollar of the burden due to the war. Anyone familiar with the upkeep of the hospitals, for example, will recognize that there are enormous burdens laid upon the provinces by the war.

Let us take other matters that are initiated by the Dominion government; take for instance the question of immigration. We bring in tens of thousands, hundreds of thousands of immigrants. It is true that the Dominion government spend a good deal in order to get the immigrants here; but the amount they spend getting the immigrants here is nothing to the amount the provinces have to spend in educating them and their children after their arrival. Members resident in the east can hardly realize the extent of the burden that must be carried by the western provinces in educating the children of newly arrived immigrants, the burden entailed in the special types of education which must be provided for them. All that burden is thrown upon the provinces. Or again, we have a Department of Health here; but the greater part of the burden of taking care of the health of immigrants devolves upon the provinces. I do not see any reason why it should be so. It may be true, again though this is not altogether certain that technically, under the British North America Act, the matter of health may have been left to the local communities; but the framers of our constitution did not contemplate the introduction of hundreds of thousands of new citizens into the country, and their being left to be cared for locally. The same is true with regard to charity and the care of the unemployed, and all that sort of thing. Technically, charity may fall within the purview of the provinces; but the vast extent to which some of our provinces have helped the unemployed in these present days is an altogether different matter from what was contemplated by those who originally drew up the provisions of the British North America Act. Our provinces are carrying a tremendously heavy load. How do they meet this responsibility? The Dominion has larger revenues at its disposal; and, more than that, the Dominion has it in its power, through indirect taxation, to levy taxes in a way which is not possible for the provinces. And it is through this indirect taxation that we derive the greater part of our revenues to-day. I would suggest, therefore, that since the Dominion government is such a large producer of revenue it is quite right that the provinces should be able to secure a very considerable proportion of that revenue for purposes of this kind, which are not merely local but essentially national in character.

I do not propose to inquire as to what was the original purpose when this grant was made ten years ago. I do not think we ought to go back and ask what was in the minds of those who were willing at that time to assist technical education. I take it that during the past ten years we all ought to have learned a great deal more about the importance to the country of technical education, and whatever might have been thought originally, ten years ago, to-day it is incumbent upon this parliament to take the larger view of such matters as this. I hope the government will reconsider its whole policy in this regard. recognizing that side by side with the grants to research work there should be large grants for the training of the men who, we hope, will be able to carry on industry successfully with the information which may come to us from the research bureau.

Mr. R. K. SMITH (Cumberland): What I have to say touching this resolution will occupy but a few minutes. The Prime Minister (Mr. Mackenzie King) stated that,

in the increased subsidy, there had been a measure of generosity on the part of this government towards the maritime provinces. That is quite true and it is greatly appreciated in the maritime provinces. I believe the Prime Minister was basing his statement on the assumption that, by reason of the increase in the subsidy, we might be able to continue perhaps better in the future than we had managed in the past certain services with which, under the British North America Act, the provinces are encumbered. As I understand the report of the Duncan commission with reference to this question, the increased subsidies to the maritime provinces were granted for the purpose of carrying on the ordinary administrative work of those three governments. I believe Sir Andrew Rae Duncan and the commissioners made that quite clear. It was not for any extra services but merely to meet the acute financial situation in the provinces in the matter of ordinary administration. That is why the recommendation was made with respect to increased subsidies.

Another matter which has been touched upon slightly by my hon. friend who has just spoken (Mr. Woodsworth) is this: at the time of confederation certain services were allotted to the provinces and others to the federal government. Those services which unfortunately were allocated to the local governments, such as public health, education and highways, have increased tremendously in cost since that time. Moreover, it was little thought at the time of confederation that the highways, for instance, of the provinces would involve the tremendous expense they do to-day. In Nova Scotia over half of the total revenue of the province goes towards the upkeep of highways. Who ever dreamed at the time of confederation that public health would require the colossal expenditures that are necessary to maintain that branch of the public service up to the proper modern standard called for to-day? The same applies not only to technical education but to all other forms of education. It seems that the elastic sources of revenue were placed at the disposal of the federal government—sources such as the sales tax, the income tax, customs, excise tax and many others—while the inelastic sources were left to the local governments. The federal government has the opportunity to extend the sources of its revenue, but the local governments are not in that happy position.

It has been advocated by many in the maritime provinces, particularly in Nova Scotia, that this government should continue its grants to technical education, and I am in hopes that after this discussion the government will see fit not only to continue these grants but to increase them. That would be a much more popular and generous way of dealing with the problem. At least the grants should be continued indefinitely, until it is discovered by this parliament that the provinces are able to look after this highly important work without crippling their already limited income.

Hon. R. B. BENNETT (Leader of the Opposition): I do not propose to trespass at any great length upon the time of the house, but when I recall that a former Prime Minister, then leader of the opposition, made the motion he did make with respect to technical education, in which he was supported by the hon. member for South Wellington (Mr. Guthrie) who sits with me; that the present Prime Minister (Mr. Mackenzie King) moved the adjournment of the debate, as perhaps he will recall, and subsequently appointed a commission in his capacity as Minister of Labour; that on the strength of the report of that commission a grant was made in 1919, immediately after the war, of the sum of $10,000,000, payable at first to the extent of less than $1,000,000 yearly and increasing to $1,100,000, it is rather difficult for me to understand an argument based upon the British North America Act showing why this Dominion is prevented from granting assistance to technical education.

Mr. MACKENZIE KING: My hon. friend is not correct in saying that I urged the British North America Act as a reason why the government should not grant any sum of money they desired to the provinces. I did not question that at all.

Mr. BENNETT: If that be so the entire argument of the Prime Minister with respect to education resting with the provinces disappears at once, and if that disappears we have only the question whether or not the Dominion of Canada can afford to provide $1,100,000 per annum for technical education. All I can say is that any man who contemplates the expenditures of this country during the last twelve months and cannot save $1,100,000 for technical education is not fit to be Minister of Finance for the Dominion of Canada. I put that fairly and frankly to this house, and if the Prime Minister wants to know the attitude of the house with respect to the matter I suggest that he remove the whips and say

to the members of this house, "Let us vote as to whether or not we want to continue the grant of $1,100,000 a year for technical education in Canada." That belongs to the masses of the people; industrial research belongs to the aristocrats of learning. There is no question about that, because technical education teaches young men to become mechanics, machinists and so on.

Mr. MACKENZIE KING: Does my hon. friend say that scientific knowledge is not of service to the masses of the people?

Mr. BENNETT: He did not say any such thing, but he did say that technical education assists the masses of the people and that industrial research belongs to the aristocrats of learning; those who have had university education and who are capable of carrying on industrial research work.

Mr. MACKENZIE KING: Does my hon. friend call Doctor Banting an aristocrat?

Mr. BENNETT: He is a medical man and the graduate of a university. I referred to aristocrats of learning, men who had university degrees, while the men who will be benefited by this grant are the young men coming from the schools, as they come in Calgary and other places I have seen in various parts of this country, where they are learning just what they used to learn in the old days as apprentices in machine shops and such places. There they become familiar with the operation of machinery; they learn about lathes; they take up other kinds of technical work which belong to the work of the ordinary young man who goes out as a machinist, a mechanic, a carpenter or what not, to make his living in that branch of human activity.

Industrial research is just as much a matter of education as technical education; industrial research means men trained in universities and schools of learning. And what are we doing in Canada with respect to industrial research? In the province of Ontario you will find millions of dollars being provided by private individuals and by the taxpayers for this work, and as far as that province is concerned we are simply duplicating that effort. No attempt is made to correlate the activities in industrial research with respect to the provincial departments of education and their universities. The Prime Minister said he was wholly in accord and deeply in sympathy with the observations made with respect to technical education, but I venture to say that if this house, with the whips removed, were to vote on the question whether or not this grant should be continued, if we voted as ordinary Canadians representing Canadian constituencies, there would not be ten votes cast in opposition to the continuance of this grant.

We are told that we cannot afford it. I will save it; I will save one-quarter of it in the amount spent on automobiles used by ministers in this city last year. Look at the public accounts; we spend about $2,000,000 a year in the education of Indians. Do you mean to tell me that when we can find that money we cannot find $1,100,000 for the technical education of the young men and young women of this country? Do you mean to tell me that with revenues exceeding $400,000,000 you cannot find $1,100,000 for the technical education of the young people of Canada? That is absurd.

Then you tell me you have increased the grants to the provinces. Of course you have. Last year we took $152,000,000 from the people of Canada, in customs revenues alone, and the contribution that we have made in the way of financial compensations and adjustments to the provinces by reason of that fact is not out of proportion to the increased revenues which have been occasioned by the customs tariffs since confederation. Everyone knows that. I say this is not a question of economy; it is the worst kind of economy to cut down this grant, because you are lessening the power of the young men and women of this country to produce new wealth; moreover you are increasing the incentive for them to leave the country to obtain the technical education which is denied them here. Further, it is apparent to every thoughtful man that the provinces cannot carry this burden.

Some hon. MEMBERS: Why?

Mr. BENNETT: For the simple reason that they are carrying such a burden with respect to highways, the development of agricultural resources, the increased cost of government, the maintenance of their universities and so on that unless they have some support of this kind they cannot carry on this work.

Mr. YOUNG (Saskatoon): Surely my hon. friend does not want to tell the house that all the provinces are in such a condition that they cannot look after this work?

Mr. BENNETT: I wonder if the hon. gentleman has looked at the act? The provinces are required to provide proper buildings; they have done so and in many cases borrowed the necessary money. A limited part of that grant is made available for the purposes of the buildings, but having done this

for a period of ten years they are suddenly confronted with the shutting off of that grant, which amounted to $10,000 for each before the question of population arose at all. The smallest province received $10,000 just as the largest province received $10,000; up to that amount there was equality as far as the grant was concerned, and then the balance was adjusted according to the population as shown by the last census. That enabled every province to make some provision with respect to this work. In the maritime provinces, certainly, from information I received during the period I was there last year, I gathered that if they had to carry the burden placed upon them with respect to old age pensions, which, mark you, was not of their own seeking in the first instance but was placed upon them by this federal government before they could get any grant from the federal treasury, the amount in one case will reach several million dollars. The demands for money for highway services are so great that they are unable to maintain that service adequately unless they receive increased grants. The increased subsidies that have been granted, even if they were ample to enable them to maintain the ordinary services, are not sufficient to enable them to carry on this particular service without depriving other services of necessary revenue.

I think my hon. friend from Saskatoon will realize how difficult it has been to balance the budgets of the provinces, even the richest and most powerful. Recourse has been had to the profits derived from the sale of strong drink in order to balance the budget in many instances. In fact I find that matter is plainly stated in many of the provinces I have visited during the last twelve months. Is it impossible for us, as members of parliament, to find ways and means to provide $1,100,000 for technical education?

I would suggest to the Prime Minister and to the Minister of Finance that instead of arriving at the definite conclusion that this will not be provided, they take the will of parliament regardless of party, for it is not a party question. Let the will of the majority of this parliament determine whether or not we shall continue to pay that grant. If that is done I am satisfied this house will make provision for the payment for another ten years of this $1,100,000 for technical education. This work has accomplished much, and if we are able to provide the money I am sure it will be of incalculable benefit.

I could go into this matter at much greater length, but I do not think it is necessary to do so. My only suggestion is that instead of closing the door we permit the will of this house to determine the question regardless of any other consideration but the public interest in the development of technically trained men to take their place as future citizens of this country.

Motion agreed to, on division, and the house went into committee, Mr. Johnston in the chair.

Mr. GARDINER: Would the minister advise what provinces will derive benefit from this extension?

Mr. HEENAN: The act provides that unless the Minister of Labour approves, the unexpended portion at the end of each fiscal year would lapse except 25 per cent of the amount. There has now lapsed $1,140,174.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SUN LIFE ASSURANCE COMPANY OF CANADA

Mr. P. F. CASGRAIN (Charlevoix-Saguenay, for Sir Eugene Fiset) moved the second reading of Bill No. 16, respecting the Sun Life Assurance Company of Canada.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I wish first of all to rise to a point of order in respect to this bill. There exists to-day an organization known as the Policyholders' Association which has entered legal action in accordance with the provisions of the Insurance Act against the Sun Life Assurance Company. The provision of the Insurance Act under which action is being taken reads:

> Any suit, action or proceedings deemed necessary in the interest of the policyholders of any company licensed under this act, or of any class of such policyholders, may, with the consent of the superintendent, be instituted in any court of competent jurisdiction on behalf of such policyholders, by the Attorney General of Canada, against the company or the directors, trustees or other officers thereof, and any judgment recovered in any such suit, action or proceeding whether for an accounting or for any sum of money, shall enure and be applied for the benefit of such policyholders, or class thereof.

In pursuance of this provision of the act the policyholders have made a request of the

Minister of Justice (Mr. Lapointe) that he permit court action against the insurance company on the ground that—

Mr. SPEAKER: Will the hon. gentleman allow me? I do not see the point of order in the objection raised. It might be a good objection to set up against the bill on its merits when it is in committee or on the third reading.

Mr. IRVINE: If you will permit me, sir, for one more minute, you will see at any rate what I am calling a point of order. The Minister of Justice has been asked to permit legal action to be taken on the ground that the company has used improper devices to take from the policyholders certain funds which belong to them and to transfer them to the shareholders. The bill before the house makes provision for just such a thing as that and on that ground I say that if this matter is before the court we ought to allow the bill to stand until such time as the court has taken action on the matter. If the Minister of Justice has not replied to the association then we ought to hold over the bill until he has. If he has refused court action, of course I presume we may go ahead with the bill, but if he has granted court action I contend that in the meantime we have no right to proceed.

Mr. SPEAKER: I do not think the point of order can stand. First of all, there is before the house or on the order paper nothing to establish the fact that an action is pending, and therefore I am not and the house is not in a position to know this is a bona fide case. The objection can well be taken up when the question arises as to the merits of the bill before the committee to which it is referred but at the present time I do not see the point of order.

Mr. IRVINE: I presume the bill is going to the committee on banking and commerce?

Mr. SPEAKER: Yes.

Mr. IRVINE: And we shall have an opportunity of discussing it there.

Mr. SPEAKER: That will be the proper place to raise the objection, which might be a serious one.

Motion agreed to, and bill read the second time.

CANADIAN RE-INSURANCE CORPORATION

Mr. PAUL MERCIER (St. Henri) moved the second reading of Bill No. 18, to incorporate Canadian Re-Insurance Corporation.

Mr. COOTE: Would the mover of the bill give the house some explanation of it?

Mr. MERCIER (St. Henri): The purport of the bill is to incorporate the Canadian Re-Insurance Corporation to do business and make contracts of re-insurance, counter-insurance and insurance of all classes other than life insurance. This bill simply provides for incorporation in accordance with the laws of the Insurance Act of Canada. There are no additional provisions.

Motion agreed to, and bill read the second time.

RAILWAY BROTHERHOOD CASUALTY INSURANCE COMPANY

Mr. PAUL MERCIER (St. Henri) moved the second reading of Bill No. 19, to incorporate the Railway Brotherhood Casualty Insurance Company.

Mr. ROBB: Explain.

Mr. MERCIER (St. Henri): This organization is seeking authority to do an insurance business in connection with automobiles only. There is no special authority asked for in the bill, to which the Insurance Act will apply.

Motion agreed to, and bill read the second time.

NATIONAL-LIVERPOOL INSURANCE COMPANY

Mr. P. F. CASGRAIN (Charlevoix-Saguenay, for Mr. Guerin) moved the second reading of Bill No. 21, to incorporate the National-Liverpool Insurance Company.

Mr. ROBB: Explain.

Mr. CASGRAIN: I am not in a position to give the details of the bill, but I presume it is along the lines of the other bills which have just received their second readings. When the bill is before the committee the member in charge will be in a position to give all the information that is sought by hon. members.

Motion agreed to, and bill read the second time.

SECOND READINGS

Bill No. 17, respecting the Quebec Railway Light and Power Company.—Mr. Mercier (St. Henri).

Bill No. 20, respecting the Bell Telephone Company of Canada.—Mr. Edwards (Ottawa).

Bill No. 22, to incorporate Niagara Falls Memorial Bridge Company.—Mr. Stevens (for Mr. Pettit).

POST OFFICE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved the third reading of Bill No. 9, to amend the Post Office Act (newspaper ownership).

Motion agreed to, and bill read the third time and passed.

INTERNATIONAL PEACE

MULTILATERAL TREATY FOR THE RENUNCIATION OF WAR

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the senate acquainting this house that the senate have adopted the following resolution:

That it is expedient that parliament do approve of the general treaty of the renunciation of war, which was signed at Paris on the 27th day of August, 1928, on behalf of His Majesty for the Dominion of Canada by the plenipotentiary named therein, and that this house do approve of the same, and requesting the Commons to unite with this house in the approval of the above mentioned treaty.

SELECT STANDING COMMITTEES

Hon. J. H. KING (East Kootenay, for the Prime Minister) presented the report of the special committee appointed to prepare and report lists of members to compose the select standing committees of the house, as follows:

No. 1

ON PRIVILEGES AND ELECTIONS

Messieurs:

Beaubien,
Bell (Hamilton),
Bell (St. Antoine),
Bennett,
Bird,
Blatchford,
Cannon,
Casgrain,
Clark,
Cotnam,
Duff,
Edwards (Frontenac-Addington,
Elliott,
Gott,
Gray,
Hanson,
Jacobs,
Johnston (Long Lake),
Kellner,
Kennedy,
King (Kootenay East),
Lapointe,
McPhee,
McQuarrie,
MacDonald (Cape Breton South),
Marcil,
Mercier (St. Henri),
Ralston,
Rhéaume.—29.

(Quorum 10.)

No. 2

ON RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs:

Anderson (Toronto-High Park),
Bell St. Antoine),
Bell (St.John),
Bell (Hamilton),
Bettez,
Bissett,
Blatchford,
Bothwell,
Bowman,
Cahill,
Cantley,
Casgrain,
Casselman,
Chevrier,
Dubuc,
Dunning,
Edwards (Ottawa),
Edwards (Waterloo South),
Esling,
Evans,
Fafard,
Fansher (East Lambton),
Fraser,
Gardiner,
Geary,
Gershaw,
Heaps,
Howden,
Jones,
Kellner,
Kennedy,
Lacroix,
Laflamme,
Lapierre,
McIntosh,
McLean (Melfort),
McNutt,
McQuarrie,
Macdonald (Kings),
MacLaren,
Manion,
Mercier (Laurier-Outremont),
Milne,
Morin (St. Hyacinthe),
Parent,
Pouliot,
Price,
Ross (Kingston),
Ryerson,
St. Père,
Sanderson,
Seguin,
Simpson,
Stewart (Leeds),
Telford,
Tobin,
Totzke,
Vallance,
White (London),
Young (Saskatoon).—60.

(Quorum 20.)

No. 3

MISCELLANEOUS PRIVATE BILLS

Messieurs:

Adshead,
Anderson (Halton),
Baldwin,
Barber,
Blanchard,
Bock,
Boucher,
Bowen,
Boys,
Brown,
Cahan,
Cannon,
Chaplin,
Church,
Denis (St. Denis),
Descôteaux,
Deslauriers,
Duff,
Embury,
Fansher (East Lambton),
Fontaine,
Glen,
Hall,
Howden,
Irvine,
Kay,
Langlois,
Letellier,
Luchkovitch,
McGregor,
McMillan,
McPherson,
Macdonald (Glengarry),
MacLaren,
Maloney,
Mercier (Laurier-Outremont),
Parent,
Pettit,
Robitaille,
Rutherford,
Sanderson,
Seguin,
Sinclair (Wellington North),
Spence,
Stinson,
Telford,
Thompson,
Tummon,
Verville,
Wilson (Wentworth),
Young (Saskatoon).—51.

(Quorum 15.)

No. 4

ON STANDING ORDERS

Messieurs:

Bell (Hamilton),
Blanchard,
Blatchford,
Brady,
Desaulniers,
Deslauriers,
Ernst,
Evans,
Gershaw,
Gervais,
Grimmer,
Ladner,
Lavigueur,
McGregor,
McKenzie,
Lawson,
Mercier (St. Henri).
Morin (St. Hyacinthe-Rouville),
Speakman,
Young (Weyburn).—20.

(Quorum 8.)

No. 5

ON PRINTING

(Members to act on the part of the Commons)

Messieurs:

Baldwin,
Bettez,
Bock,
Boulanger,
Bradette,
Charters.
Edwards (Waterloo South),
Embury,
Esling,
Evans,
Foster,
Fraser,
Garland (Bow River),
Girouard,
Gott,
Goulet,
Gray,
Guérin,
Hocken,
Howden,
Hubbs,
Kaiser,
Lacombe,
Lacroix,
Lang,
Lapierre,
Lucas,
McKenzie,
MacLean (Prince),
Macdonald (Glengarry),
Marcil,
Maloney,
Matthews,
Maybee,
Morrissy,
Peck,
Perras,
Prévost,
Price,
Quinn,
Rennie,
Rinfret,
Roberge,
Rowe,
Ryerson,
St. Père,
Speakman,
Spencer,
Spotton,
Steedsman,
Sylvestre,
Taylor.
Verville,
White (Mount Royal).—54.

No. 6

ON PUBLIC ACCOUNTS

Messieurs:

Adshead,
Arthurs,
Beaubien,
Bettez,
Black (Yukon),
Bothwell,
Campbell,
Cahan,
Cannon,
Casselman,
Clark,
Coote,
Donnelly,
Dubuc,
Duff,
Edwards (Frontenac-Addington),
Ferland,
Gardiner,
Girouard,
Guérin,
Guthrie,
Hanson,
Ilsley,
Jacobs,
Kaiser,
Laflamme,
Lapierre,
Lawson,
Lennox,
Lovie,
McDiarmid.
Malcolm,
Manion,
Odette,
Parent,
Peck,
Perras,
Pouliot,
Power,
Ross (Kingston City),
Rutherford.
Ryckman.
Smith (Stormont),
Smith (Cumberland),
Smoke,
Taylor.
Telford,
Thorson,
Tobin,
White (London).—50.

(Quorum 15.)

No. 7

ON BANKING AND COMMERCE

Messieurs:

Allan,
Bennett,
Benoit,
Bird,
Black (Halifax),
Bock,
Bothwell,
Brown.
Casgrain,
Casselman,
Cayley.
Chaplin,
Clark,
Donnelly,
Ernst,
Fafard,
Geary,
Hanson,
Harris,
Hay,
Hepburn,
Irvine,
Jacobs,
Ladner,
Lang,
McLean (Melfort),
McPhee,
McRae,
Manion,
Matthews,
Mercier (St. Henri),
Odette,
Perley (Sir George),
Raymond,
Robb,
Robinson,
Robitaille,
Ross (Moose Jaw),
Rutherford,
Ryckman,
Sanderson,
Smith (Stormont),
Smoke,
Spencer,
Steedsman,
Stevens,
Vallance,
Ward,
Woodsworth.
Young (Weyburn).—50.

(Quorum 15.)

No. 8

ON AGRICULTURE AND COLONIZATION

Messieurs:

Anderson (Halton),
Arthurs,
Auger,
Bancroft,
Barber,
Benoit,
Bouchard,
Boucher,
Boulanger,
Bowen,
Brown,
Campbell,
Carmichael,
Cayley,
Charters,
Coote,
Denis (St. Denis),
Descoteaux,
Desaulniers,
Donnelly,
Dubuc,
Edwards (Frontenac-Addington),
Fansher (Last-Mountain),
Forke,
Garland (Carleton),
Garland (Bow River),
Gervais,
Gott.
Hocken,
Hodgins,
Howden,
Jacobs,
Jones,
Kay,
Lucas,
McGibbon.
McIntosh,
McKenzie,
McMillan,
McPhee,
McRae,
Maybee,
Millar,
Morin (Bagot),
Motherwell,
Plunkett,
Ross (Moose Jaw).
Rowe,
Séguin,
Senn,
Sinclair (Queens),
Sinclair (Wellington North),
Spence,
Spotton,
Steedsman,
Stirling,
Tummon,
Totzke,
Vallance,
Young (Saskatoon).—60.

(Quorum 20.)

No. 9

ON MARINE AND FISHERIES

Messieurs:

Bancroft,
Beaubien,
Bissett,
Blanchard,
Bourgeois,
Brady,
Cantley,
Cardin,
Delisle,
Dickie,
Dionne,
Duff,
Dussault,
Ernst,
Fansher (Last Mountain),
Grimmer,
Jenkins,
King (Kootenay East),
Luchkovitch,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
MacLaren,

MacLean (Prince),
McPherson,
McQuarrie,
McRae,
Morrissy,
Neill,
Pouliot,
Quinn,
Short,
Sinclair (Queens),
Smith (Stormont),
Ward.—35.

(Quorum 10.)

No. 10

ON MINES, FORESTS AND WATERS

Messieurs:

Baldwin,
Beaubien,
Bell (St. John-Albert),
Bissett,
Black (Yukon),
Blatchford,
Boucher,
Bowman,
Bradette,
Brady,
Cahill,
Cowan,
Dickie,
Duff,
Esling,
Gershaw,
Heaps,
Howden,
Ilsley,
Jelliff,
Johnstone (Cape Breton North-Victoria),
Lapierre,
Letellier,
McDiarmid,
McLean (Melfort),
Macdonald (Richmond-West Cape Breton),
Macdougall,
Macphail (Miss),
Millar,
Plunkett,
Roberge,
Robinson,
Simpson,
Smith (Cumberland),
Stewart (Edmonton West).—35.

(Quorum 10.)

No. 11

ON INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs:

Bell (St. John-Albert),
Bissett,
Black (Halifax),
Bourassa,
Chevrier,
Church,
Cowan,
Deslauriers,
Ferland,
Gervais,
Grimmer,
Hall,
Heenan,
Howard,
Jenkins,
Johnstone (Cape Breton North-Victoria),
Lacroix,
Letellier,
Macphail (Miss),
McGibbon,
McIntosh,
McMillan,
Malcolm,
Neill,
Perley (Sir George),
Plunkett,
Prévost,
Rennie,
Ross (Kingston City),
St. Père,
Stinson,
Thorson,
Veniot,
White (Mount Royal),
Woodsworth,
Young (Toronto Northeast).—36.

(Quorum 10.)

No. 12

OFFICIAL REPORT OF DEBATES

Messieurs:

Bouchard,
Church,
Elliott,
Esling,
Hocken,
Lacombe,
Macdougall,
Marcil,
Millar,
Prévost.
Rinfret,
Young (Weyburn).—12.

(Quorum 7.)

No. 13

ON THE LIBRARY

(Members to act on the part of the Commons)

Mr. Speaker and Messieurs:

Auger,
Bettez,
Bourassa,
Bowman,
Carmichael,
Chevrier,
Cotnam,
Descôteaux,
Dionne,
Edwards (Ottawa),
Fontaine,
Foster,
Fraser,
Garland (Carleton),
Geary,
Girouard,
Glen,
Guthrie,
Hepburn,
Hodgins,
Jones,
Kennedy,
Lacroix,
Langlois,
Lavigueur,
Lennox,
McIntosh,
Marcil,
Neill,
Pouliot,
Prévost,
Quinn,
Rinfret,
Senn,
Short,
Smoke,
Spencer,
St. Père,
Stirling,
Thompson,
White (London),
Young (Toronto Northeast).—43.

No. 14

ON THE RESTAURANT

(Members to act on the part of the Commons)

Mr. Speaker and Messieurs

Bancroft,
Black (Yukon),
Boivin,
Carmichael,
Cayley,
Chevrier,
Clark,
Edwards (Ottawa),
Fiset (Sir Eugene),
Howard,
Howden,
Kay,
Kellner,
Lang,
Macdougall,
Ryckman,
Senn,
Wilson (Wentworth).—19.

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

Motion agreed to.

Mr. MACKENZIE KING moved:

That the lists of members composing the select standing committees of the house under standing order 63 be printed in Hansard.

Motion agreed to.

POWERS OF COMMITTEES

Mr. MACKENZIE KING moved:

That the select standing committees of the house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records, with the exception of the committee on debates and that on the library of parliament.

Motion agreed to.

PRINTING OF PARLIAMENT

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

That a message be sent to the senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the members of the select standing committee on printing, namely, Messrs. Baldwin, Bettez, Bock, Belanger, Bradette, Charters, Edwards (Waterloo South), Embury, Esling, Evans, Foster, Fraser, Garland (Bow River), Girouard, Gott, Goulet, Gray, Guérin, Hocken, Howden, Hubbs, Kaiser, Lacombe, Lacroix, Lang, Lapierre, Lucas, McKenzie, MacLean (Prince), Macdonald (Glengarry), Marcil, Maloney, Matthews, Maybee, Morrissy, Peck, Perras, Prévost, Price, Quinn, Rennie, Rinfret, Roberge, Rowe, Ryerson, St-Père, Speakman, Spencer, Spotton, Steedsman, Sylvestre, Taylor, Verville, and White (Mount Royal), will act as members on the part of this house, on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

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

That a message be sent to the senate to acquaint their honours that this house has appointed Messrs. Auger, Bettez, Bourassa, Bowman, Carmichael, Chevrier, Cotnam, Descoteaux, Dionne, Edwards (Ottawa), Fontaine, Foster, Fraser, Garland (Carleton), Geary, Girouard, Glen, Guthrie, Hepburn, Hodgins, Jones, Kennedy, Lacroix, Langlois, Lavigueur, Lennox, McIntosh, Marcil, Neill, Pouliot, Prévost, Quinn, Rinfret, Senn, Short, Smoke, Spencer, St-Père, Stirling, Thompson, White (London), and Young (Toronto Northeast), a committee to assist His Honour the Speaker in the direction of the library of parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PARLIAMENTARY RESTAURANT

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

That a message be sent to the senate to acquaint their honours that this house has appointed Messieurs Bancroft, Black (Yukon) Boivin, Carmichael, Cayley, Chevrier, Clark, Edwards (Ottawa), Fiset, Sir Eugene, Howard, Howden, Kay, Kellner, Lang, Macdougall, Ryckman, Senn, Wilson (Wentworth), a committee to assist his honour the Speaker in the direction of the restaurant, as far as the interests of the Commons are concerned, and to act as members of a joint committee of both houses of parliament.

Motion agreed to.

OPIUM AND NARCOTIC DRUG ACT

APPOINTMENT OF SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, this afternoon the house decided to appoint a special committee to consider Bill No. 4, an act to amend and consolidate the Opium and Narcotic Drug Act. Therefore I beg to move:

That the special committee on Bill No. 4, to amend and consolidate the Opium and Narcotic Drug Act, consist of Messrs. Adshead, Gervais, Guérin, Howden, Maloney, Macdonald (Richmond-West Cape Breton), McGibbon, Totzke, Young (Saskatoon) and King (Kootenay).

Motion agreed to.

TECHNICAL EDUCATION ACT

The house resumed consideration in committee of the following proposed resolution —Mr. Heenan—Mr. Johnston in the chair.

Resolved, that the Technical Education Act be amended to provide that any balance of the ten million dollars appropriated under this act unexpended on the 31st March, 1929, shall remain available during any one or more of the five succeeding fiscal years, but no portion thereof shall be paid to any province after the 31st of March, 1934.

Mr. HEENAN: Before we adjourned at six o'clock, Mr. Chairman, an hon. member asked how much of the original grant had lapsed. The answer is, $1,140,174.90, leaving unexpended $1,462,111.64. These two amounts total over two and a half million dollars, which it is now proposed to give the provinces an opportunity of earning.

Mr. LADNER: May I ask how that total is available amongst all the provinces?

Mr. HEENAN: I will give the various amounts in round figures. Prince Edward Island has received $64,000, leaving $133,000 yet available, provided this amending act is passed. The corresponding figures for the other provinces are: Nova Scotia, $280,000 and $381,000; New Brunswick, $392,000 and $119,000; Quebec, $2,071,000 and $498,000; Ontario, $3,178,000—its total amount; Manitoba, $182,000 and $537,000; Saskatchewan, $142,000 and $705,000; Alberta, $604,000 and $73,000; British Columbia, $479,000 and $153,000.

Resolution reported, read the second time and concurred in. Mr. Heenan thereupon moved for leave to introduce Bill No. 34, to amend the Technical Education Act.

Motion agreed to and bill read the first time.

UNOPPOSED MOTIONS FOR PAPERS

HIS MAJESTY'S MAIL

Mr. CHURCH:

For a copy of all letters, instructions, regulations, orders in council, telegrams, and other documents issued by the government of Canada or any member thereof, and any other person or persons, regarding the substitution of Canadas' Mail for His Majesty's Mail on postal offices, postal wagons, motors, or other postal equipment, and in relation to the removal of His Majesty's initials "G.R." from said post office equipment.

CANADIAN NATIONAL RAILWAYS—CAUSAPSCAL-GASPÉ

Mr. MARCIL:

For a copy of all petitions, letters, telegrams and correspondence generally, exchanged between the Department of Railways and Canals and the opponents of a projected railway between Causapscal and Gaspé;

Also for copy of all letters and telegrams and correspondence generally exchanged between the Minister of Railways and Canals and the promoters of the above railway.

SIFTON, MAN., POSTMASTERSHIP

Mr. COWAN:

For a copy of all letters, telegrams, papers and other documents, with reference to the dismissal of William S. Assifat, postmaster at Sifton, Manitoba, and the appointment of a successor to the said position.

Mr. SPEAKER: Notices of motions. Mr. Bissett.

Mr. BENNETT: A number of these motions, including the one just called, have already been called and I happen to know, with respect to several of the notices that stand in the names of members on this side, that they certainly could not be proceeded with until Monday. If they are called now they will be dropped. I suggest that we make some arrangement whereby they remain on the order paper. The members in whose names they stand are not ready to go on.

Mr. MACKENZIE KING: I understand that the hon. member for Springfield (Mr. Bissett) is ready to proceed.

CANADIAN NATIONALITY

DESIGNATION IN LEGISLATION AND OFFICIAL DOCUMENTS

Mr. E. D. R. BISSETT (Springfield) moved:

Whereas Canada has by mutual consent of those concerned, now attained a position of equality in the commonwealth of nations which makes up the British Empire;

And whereas Canada is a member of the League of Nations having representation on the council thereof;

[Mr. Heenan.]

And whereas by an enactment of the parliament of Canada 11-12 George V, chapter 4, which said legislation now appears as "Canadian Nationals Act," chapter 21 of the revised statutes of Canada, 1927, the terms "Canadian nationality" and "Canadian nationals" are defined.

Therefore be it resolved: (1) That persons born in Canada (or otherwise, defined as Canadian nationals) shall be described as being of Canadian nationality in all legislation and official and other documents.

(2) That persons of the white race, born of parents whose family residence in Canada is of three or more generations, shall be described as being of the "Canadian race" in all legislation and official and other documents.

He said: The question of Canadian nationality and race is one which has been the cause of much controversy in our country for a number of years past, both in respect to the interpretation of these terms in the administration of the Immigration Act, and also as they have been applied to the classification of our population during the taking of the census. Part 1 of the resolution reads:

Whereas Canada has by mutual consent of those concerned now attained a position of equality in the commonwealth of nations which makes up the British Empire; and whereas Canada is a member of the League of Nations having representation on the council thereof; and whereas by an enactment of the parliament of Canada 11-12 George V, chapter 4, which said legislation now appears as "Canadian Nationals Act", chapter 21 of the revised statutes of Canada 1927, the terms "Canadian nationality" and "Canadian nationals' are defined.

Therefore be it resolved: (1) That persons born in Canada shall be described as being of Canadian nationality in all legislation and official and other documents.

As a result of the participation of Canada in the Peace treaty and in the League of Nations, it was necessary for an official definition of Canadian nationals and Canadian nationality to be made for the first time in Canadian history, since among different measures adopted in connection with the operation of the league were provisions defining certain rights and privileges to be enjoyed by the nationals of members of the league. A Canadian national was accordingly defined by 11-12 Geo. V, chap. 4, as:

(a) any British subject who is a Canadian citizen within the meaning of the Immigration Act, chapter 27 of the statutes of 1910, as heretofore amended;

(b) the wife of any such person;

(c) any person born out of Canada, whose father was a Canadian national at the time of that person's birth, or with regard to persons born before the passing of this act, any person whose father at the time of such birth possessed all the qualifications of a Canadian national as defined in this act.

According to the Immigration Act, 1910, a Canadian citizen is:

(1) a person born in Canada who has not become an alien;

(2) a British subject who has Canadian domicile;

(3) a person naturalized under the laws of Canada who has not subsequently become an alien or lost Canadian domicile.

It is thus quite clear that as the result of this legislation everyone born in Canada is entitled, under the laws of our country, to call himself a Canadian, when asked as to his nationality. This applies to all persons of all races, even to Chinese, negroes and Indians born in this country.

Since the existence of the Canadian national is now recognized, the people of this nation will sooner or later have to be regarded in official documents as Canadians.

In spite of the fact that we have legislation defining Canadian nationals, in our official documents there is no provision for such a race; apparently this legislation is for use abroad only. According to our official documents no one is born or dies a Canadian; we are listed as English, Irish, Scotch, Ruthenian and so on. In connection with this statement I would ask permission of the house to place on Hansard copies of the official notices of births and deaths as supplied by the divisional registrar for vital statistics. Among the questions contained in the official notice of births there is no place where a father can list his child as a Canadian; item 10 asks for the racial origin of the father and item 16 for the racial origin of the mother. In a note on the side of the notice appears the following words:

The words "Canadian" or "American" should not be used, as they express nationality or citizenship but not a race or people.

The official notice of birth is as follows:

Official Notice of Birth
(By Parent or Guardian)

Registration Division of....Municipality of....

Questions to be answered by the informant of birth

1. Where was the child born? (Street and house number or lot and block number or parish or river lot number, or fractional section, twp. and range; if in a hospital, give its name).. .. ..
2. What is the child's full name? (If child died without being given a name, enter the words "Died unnamed".. .. ..
3. Male or female? (Write the word in full) .. ..
4. Was this a single, double or other plural birth?.. .. ..
5. Was the child born alive?.. .. ..
6. Are the parents married?.. .. ..
7. When was the child born?.. .. ..
8. Full name of father?.. .. ..
9. Residence of father (usual place of abode. If non-resident give place and province).....
10. Racial origin of father?.. .. ..
11. Age of father (at last birthday).. .. .. ..
12. Birthplace of father (if in Manitoba, give exact location: if in Canada, province, and city, town, village, or nearest post office; if foreign, state country and post office address).. .. .. ..
13. Occupation of father.. .. ..
14. Full maiden name of mother (if she has been more than once married give names of former husband or husbands).. .. ..
15. Residence of mother (usual place of abode. If non-resident give place and province).. .. .. ..
16. Racial origin of mother.. .. ..
17. Age of mother (at last birthday, in years).. .. ..
18. Birthplace of mother (same description as Item No. 12).. .. ..
19. Children of this mother (including this birth).. .. ..
20. Occupation of mother (unless working at some gainful employment) mark none.. .. .. ..
21. Was this birth premature or not?.. .. .. ..
22. Where were the parents married? (same description required as in Item No. 12).. .. .. ..
23. When were they married? (Give day, month and year).. .. ..
24. Name and address of attending physician, mid-wife or other person assisting at the birth (it is important that this item be not left blank).. .. ..
25. Relationship of informant to the child. .. ..
26. Were you in the house at the time of birth?.. .. ..
27. Your signature and exact location of your residence; your post office address .. ..
28. The date.. .. ..

Remarks:
.. ..
.. ..

The above-stated particulars are true, to the best of my knowledge and belief.

Signature of informant.. .. ..
Address.. .. ..

29. Registered number.. .. .. ..filed in this office on the.. .. .. ..day of.. .. .. ..19.. ..
30. .. ..

Signature of Division Registrar.

After being filled up, this form is to be sent to the Clerk of the Municipality in which the birth occurred. It will be transmitted postage free if placed in an envelope which has marked on the upper right-hand corner, above the address, the words "Dominion Statistics—Free. Penalty for improper use $300."

N.B.—In case of more than one child at a birth, a separate return must be made for each, and the number of each, in order of birth, stated.

Racial origin will be described by stating to what people or tongue each of the parents belong, whether English, Irish, Scotch, French, German, Russian, Ruthenian, Slovak, Galician, etc. The words "Canadian" or "American" should not be used, as they express nationality or citizenship but not a race or people.

The same questions are asked on the official notice of death, which is as follows:

This form if placed in an envelope, marked "Dominion Statistics—Free, penalty for improper use $300," and properly addressed will pass through the Mail "Free."

Official Notice of Death

(a) Place of death—

Registration District.. ..Municipality of.. ..
If in City or Town..Street..House Number..
(Name) (Name)

If in hospital or institution, give name.. ..
(b) Residence of deceased.. .. ..
(Usual place of abode)

Particulars to be registered touching a death to be supplied to the Division Registrar of.... by informant other than Physician or Coroner before a Burial Permit can be issued.

1. Full name of deceased (initials only not accepted) if an unnamed child, give surname preceded by "unnamed".. .. ..
2. If married or widowed give full maiden name.. .. ..
3. Sex.. .. ..
4. Racial origin.. .. ..
5. Single, married, widowed or divorced.. ..
(Write the word)
6. Place of birth (if in Manitoba, give exact location; if in Canada, province, city, town, village, or nearest post office; if foreign, state the country and post office address).. .. .. ..
7. Date of birth.. .. ..
8. Age in.. .. ..
9. Occupation of deceased.. .. ..
10. Length of residence (in years and months) .. ..
11. Full name of father.. .. ..
12. Birthplace of father (same as Item No. 6).. .. ..
13. Maiden name of mother.. .. ..
14. Birthplace of mother (same as Item No. 6).. .. ..
15. Date of death.. .. ..
16. Name of physician who attended deceased (where physician did not attend, state probable cause of death).. .. ..
17. Your relationship to deceased.. .. .. ..
18. Were you in the house at the time of death?.. .. ..
19. Name and address of informant.. .. ..
20. Date of information.. .. ..
21. Undertaker.. .. ..
(Name and address)
22. Registered number.. .. ..

The above stated particulars are true, to the best of my knowledge and belief.

Signature of informant.. .. ..
Address.. .. ..
23. .. ..
Signature of Division Registrar.

N.B.—Write plainly with unfading ink—This is a permanent record. Every item of information should be carefully supplied. Age should be stated exactly. Exact statement of occupation is very important. Racial origin will be described by stating to what people or tongue the deceased person belonged, whether English, Irish, Scotch, French, German, etc. The terms "American" or "Canadian" should not be used, as they express citizenship but not a race or people. See instructions on back of certificate.

I would like to point out also that the form used by the statistical department in taking the census of 1925 contained no column in which a person could be listed as a Canadian. The questions asked on this form were as follows: Residence; family; name; place of abode; relationship to the head of the family or household; sex; single, married, widower or divorced; age; place of birth of the person giving information and his father and his mother; racial or tribal origin; year of immigration to Canada if an immigrant; year of naturalization; citizenship or country to which he owes allegiance; can you speak English; can you speak French; mother tongue; can you read; can you write; the months of school since September 1, 1925.

I have no objection to the vital statistics branch ascertaining the racial origin of the Canadian people; that may be a very useful bit of information, but I do think our own official records should contain some provision by which a person born in this country could be classed as a Canadian. That is only complying with the act now on the statute books, and the first part of this resolution asks that this act be made effective.

Now I would like to take up the second part of this resolution, which reads as follows:

(2) That persons of the white race, born of parents whose family residence in Canada is of three or more generations, shall be described as being of the "Canadian Race" in all legislation and official and other documents.

In discussing part 2 of the resolution, it is first necessary to inquire, is there a Canadian race? A number of people claim that there is not, as Canadians are a mixture of other races, a mixture too recent to permit us to say we have a new strain distinct from the merging elements. Looking at the census returns for the three prairie provinces taken in 1925, we find that the Bureau of Statistics is apparently of this opinion also. The population is given under three racial strains, British, European and Asiatic. Outside of these are two other columns, one for Indians (red) and one for negroes or the black race. Under the class "British race" the following subclasses appear: English, Irish, Welsh and Scotch. The European race is classed as French, Belgian, Dutch, Hebrew, Italian, et cetera, and the Asiatic as Japanese, Chinese, et cetera. There is no mention of "Canadian" anywhere, yet on an official paper issued by the Dominion Bureau of Statistics, we find the following: that in 1921, out of a total population of 8,788,483, the number of Canadians whose family residence in the Dominion is of three or more generations and who may therefore be considered as constituting the Canadian race, was 4,857,523. In other words, our Bureau of Statistics, while they will not in the official documents recognize the existence of a Canadian race, are neverthe-

less of the opinion as shown by the bulletin from which I have just quoted that half the total population of Canada in 1921 constituted a distinct Canadian race. Let me quote the official paper of the Bureau of Statistics to which I have referred:

> The census, to repeat, deals comprehensively with Canadian nationality in its various aspects, no question being omitted or method pursued that tends to obscure information. The last census, for example, shows that of a total population of 8,788,483 in 1921, the number of Canadian nationality was 8,412,383 (514,182 being Canadian by naturalization); the number of Canadians by birth was 6,832,747; whilst the number of Canadians whose family residence in the country is of three or more generations and who may therefore be considered as constituting a Canadian race was 4,857,523. Of the racial derivations of Canadians the more important were English 2,545,496, French 2,452,751, Scotch 1,173,637, and Irish 1,107,817. These figures, of course, are analyzed and amplified in the census reports from literally hundreds of points of view, the object being to lay bare all the essential and crucial facts concerning the population, and especially those relating to "Canadianization".

I submit that to divide our Canadians of three generations into groups of Scotch, French, Polish, et cetera, is as absurd as to divide for national purposes the English nation into groups of Celts, Angles, Danes, Romans, et cetera.

More than seven hundred years ago the English people found that to perpetuate racial differences among them was disastrous to the nation, so the coalescence of the Normans, Saxons and Danes into England was permitted and hastened as a wise national policy, and I submit that it is just as essential to create Canadians and a Canadian consciousness today as it was to create Englishmen in Britain seven hundred years ago. The fact that the people living in the Highlands of Scotland were of Celtic origin and the people in the Lowlands were Anglo-Saxon, and those living in the Shetlands and Orkneys were mainly Scandinavians, did not prevent the early emergence of the Scottish race. The distinct strains persist to this day. Is there no Scottish race because the Scots are a merging of Picts, Celts, Norse and French? Or is there no Irish race because in Ireland we find traces of the merging of the Firbilgs, Picts, Gauls, Spaniards, Normans, English and Scotch? The people of Scotland and Ireland are prepared at all times to resent an assertion that there is no Scotch or Irish race, and whatever the scientists or Bureau of Statistics may say, the people of England, Ireland, Scotland and Wales are not only willing but demand that they be recognized as four independent and separate races. Our own Bureau of Statistics recognizes that fact and grants the existence of these races. But will they accept a man or a woman as of the Canadian race whose ancestors, as far as nationality is concerned, have for three or four generations lived on Canadian soil for a period of from 100 to 150 years? They will not. They will still insist upon classifying them as belonging to one of the European races, tracing the descent through the paternal line. This method is absolutely unscientific. Its conclusions are incorrect, because they are based on false premises. The whole tendency has been to disparage Canadianization and keep alive the pernicious practice of calling ourselves English, French, Scotch, Irish, Ruthenian, and so on.

No country attains to a great national development unless it is conscious of being a nation made up of people rejoicing in a common nationality, and the certainty that they are building not only a new country but a new race.

We require racial unity; it is one of the big factors necessary for the development of the true Canadian spirit.

In the interest of national unity, the practice of people living here calling themselves Canadians should be encouraged. Race is defined as a tribe, breed, nation, or group of individuals descendant from a common ancestor, a people or a nation having racial unity and integrity, and I submit that the 4,875,523 people given in the 1921 census as being born of three generations in this country, and which seven years ago was half of our total population, have all the characteristics which go to make up a race.

No doubt in many cases it is not necessary to take three generations to find a real Canadian viewpoint. Numbers of people born of the first or second generations are no doubt essentially Canadian in all respects, but by taking the third generation we make certain of having a race of people fully Canadian in all respects.

Referring again to the clause "racial origin" in the population sheet of the Dominion Bureau of Statistics, I have no objection to the bureau tracing the racial origin of the Canadian people, in fact I think it should be done. But I would suggest here that a column be added giving the nationality and race as Canadian for three generations, followed, if it is considered desirable, by a column giving the racial origin of that same person.

I would close these remarks with a quotation from a speech given in Ottawa a short time ago, by one of our leading Canadians, the Hon. L. A. Taschereau, in which he said, speaking of Canada:

This is not a country of French-Canadians, English-Canadians or any hyphenated form of Canadianism. If the people of the Dominion are to be worth their salt, they must be Canadians, not classifications.

I contend that there are thousands who will subscribe to this statement, and the purpose of this resolution is to give it effect.

Mr. D. F. KELLNER (Athabaska): I would like to say a word in favour of this resolution. I think it is high time the people of Canada recognized the Canadian race. We Canadians are about the only people that do not recognize it. When a Canadian goes to the American border he takes a passport which permits him to cross the line, and I think he is the only individual of any racial origin who can do that. Not only that, but he has with him a recommendation of character and ability. I believe a Canadian will find himself more favourably considered when he makes application for employment in the United States than a member of any other race. We are frequently reminded in the course of discussions in this house that the status of Canadians has been very high in Europe for the last few years. There is hardly a debate comes up but favourable mention is made of the conduct of our soldiers and those who assisted in the Great war. In practically every country in the world the Canadian race is recognized, honoured and admired, but we here in Canada seem to have overlooked the fact that we have such a race.

In 1927 the United States statistics showed that forty-two per cent of their immigration came from Canada. The opinion of the United States authorities was that that forty-two per cent was of the Canadian race, but the fifty-eight per cent that stayed at home in Canada are not of that race. They are divided, as the resolution suggests, into the various races which originated in Europe.

When an immigrant comes to this country we do not neglect to tell him that he must become a Canadian when he arrives at our shore, but in doing this we ask him to become something which we as a country do not recognize as existing. I am sure it is not a healthy condition for a large country like Canada, with a great number of different nationalities within its borders, not to recognize native-born Canadians as such.

It is quite apparent that the people of Canada are not satisfied with our present method of obtaining statistics. During the taking of the last census many reports came in that people had refused to give their racial origin. Within the last few months there have been numerous criticisms of this method. I wish, therefore, to add my word in support of this resolution, and I hope the house will deal favourably with the request embodied therein, and that the resolution will be carried.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I rise with some degree of hesitation to enter into this debate as I cannot see any likelihood of my ever being classed as a Canadian, according to the arguments that have been advanced by the various speakers up to the present. The mother of my children happens to be a Canadian of the third generation, but I do not know exactly where my children will stand in this regard. From the female side they would be entitled to be called Canadians but from the male side there will have to be another generation or two before they can become members of the Canadian race.

I think some misapprehension exists here. I thoroughly agree with the idea of the recognition of Canadian nationality. The hon. member who moved this resolution (Mr. Bissett) has taken it for granted that because there is no Canadian race there can be no Canadian citizenship or Canadian nationality. The two are entirely separate and distinct. There is only one Canadian race in Canada to-day, and that is the Indian. The only pure Canadian race living in Canada is the Indian race. The basic stock of Canadians is composed of two distinct races at the present time, the French and the English races. They have not intermingled into one race and there is no Canadian race although they are citizens of the Dominion of Canada in every sense of the word.

If you look into this matter further you will find that there are only a few pure and distinct races in the world to-day. We speak about the Scottish race, but there is no real Scottish race; there is a Scottish nationality. The hon. member who moved this resolution spoke about the different races that go to make up the Scottish nation, but although they have lived together for centuries they have not intermingled to such a degree that you can call them a pure and distinct race. When you come down to the borders of Scotland, where I was born, there is a distinct difference between the people of the Scottish border and the people of the Highlands. They are all Scottish, but they are not a Scottish race; they are a nation. To describe the people of the third generation as being of the "Canadian race" I think would have a dividing influence. What about the second gener-

ation? Are they to have some inferior status that they cannot be called Canadian in every sense of the word? Under this resolution they are to have a different classification from those who came of a race a generation longer in the country. I really cannot see the necessity for having the second clause in the resolution, but with the first clause and the first part of it I am thoroughly in accord; I would stress Canadian nationality everywhere. Where in the world do Canadians go to-day that they are not known as Canadians? It is not necessary to say that they are of the Canadian race. We have in Canada at present some fifty different nationalities, and during the course of centuries those nationalities will be intermingled in such a way that they can be classified as a race peculiar to the Dominion of Canada. But who can say to-day that there is any distinct type of Canadian that you can say is a race of people? They are Canadian nationals. That is about as far as I can go in regard to this question of defining a Canadian race.

The use of that column in the census papers to which reference has been made is rather annoying to many people whose forefathers have been in Canada for a generation or two, because there is no distinct column setting them down as Canadians. That ought to be rectified. On the other hand, I suppose those who compile this form desire to have some idea as to the mixture that is coming into Canada and the derivations of the people who are now making their home here. The classification may seem absurd on the face of it. The editor of the Manitoba Free Press told me at one time he was classed as a Dutchman, although he has but a very small amount of Dutch blood in his veins. Originally some Dutchman named Dafoe came to Canada and, of course, down through the ages his descendants will be classed as Dutch. The matter works out on the whole not so badly, because someone may have come to Canada originally classified under some other nationality, the two strains may become intermingled, and through these classifications and by keeping track of the racial derivations through the male line one can gain some idea of what the strains are that go to make up the Canadian people. That is the idea of using that column in the census returns, although later on it may be wiped out as being of no value.

I will close by saying again that the terms "Canadian", "Canadian citizen" seem to be broad enough to cover the whole matter without attempting to make a Canadian race out of a people composed of almost every nationality under the sun who are living in the Dominion of Canada and who call themselves good Canadians without being named as a distinct race of people.

Mr. H. B. ADSHEAD (East Calgary): If I had not intended to speak on this question, I should have been impelled to do so by the speech of the Minister of Immigration (Mr. Forke). He seems to confuse political citizenship with racial or physiological citizenship. It is quite true that, according to my hon. friend's definition, the Indians are the only true Canadian. There are the Crees, the Sioux, all the different races of Indians, and yet he is pleased to call them all Canadian. I am an Englishman; my ancestry, if traced back, would be Anglo-Saxon. There is no ancestry more complicated than that of the British people, who from a political standpoint are English, and those people who are born in Canada or who come to Canada and are naturalized are Canadian citizens and should appear as such in the census papers. My children are Canadians; their mother is a Canadian; they are of Canadian nationality and should be classified as such in the census returns. When the census man came around he would not at first accept the name "Canadian" from us; he wanted to know whether the nationality was English or Scotch or whatever it was. We refused to say, as regards our children, that they were anything but Canadian. I think the leader of the opposition (Mr. Bennett) has many a time insisted upon cultivating a true Canadian spirit, but we cannot have that to its fullest extent unless we recognize that Canadians who are either naturalized or born here, no matter what their ancestry may be, should be classified in the census papers as Canadians.

There is another good reason that I might bring forward—I do not know whether the mover of the resolution (Mr. Bissett) stated it or not. Supposing an immigrant is invited to our shores from Norway or Sweden and he comes to Canada. Much as we who are English or of British descent are attached to England, foreigners who come to Canada cannot have the same regard and respect for British institutions as they would for a Canadian citizenship. Therefore we should build up a Canadian nationality attached to our institutions in a way in which people could not be attached to the institutions of a country of which they have no particular knowledge. For that reason I am strongly in favour of the resolution of the hon. member for Springfield.

Mr. J. L. BROWN (Lisgar): The difficulties of settling this question have been made quite manifest by those who have

spoken and by the resolution itself. Nobody will dispute the fact that there are anomalies in our system. It is certainly an anomaly to call a man a Dutchman whose ancestors on the Dutch side would date back perhaps half a dozen generations. I can call to mind neighbours of mine who are descendants of Pennsylvania Dutch who came over with the United Empire Loyalists in the early part of the nineteenth century, and yet they are classed as Dutch. On the other hand, as the Minister of Immigration (Mr. Forke) points out, there are other families who are so-called Dutch, but who, on the female side, are intermarried with English-speaking people, and the ancestors of their children are described as English, Irish or Scotch, as the case may be.

If the purpose of this column in the census is to give the exact racial origin of every person in Canada, it is most decidedly a failure. It cannot do that, because it leads us into many absurdities. But is that the purpose? Is the purpose not to endeavour to arrive approximately at the racial origin of the people who compose the citizenship of Canada to-day? If that is the purpose, then it can be secured only by the method that we have adopted. The method does not do it accurately, but does it do it approximately? Is it worth our while to endeavour to know something of the racial origin of the people who constitute the citizenship of the Dominion of Canada? It it is not worth while, then we can abolish that column altogether. If it is worth while, I do not know how we can accomplish it by any other means that those we are following now.

The question that has always been in my mind when the matter is brought up by those who have persistently advocated this idea is this: What would be the definition of a Canadian? Some will say: a person born in Canada. That immediately causes a difficulty. Let me instance an anomaly: I have a neighbouring family that came from Scotland thirty years ago. Some of the older children were born in Scotland, and if you take "born in Canada" as a sufficient definition of a Canadian, they would be classed as Scotch, whereas the younger children, who were born in Canada, would be classed as Canadians. But the definition as given in the resolution does not help us at all. It reads:

> Persons of the white race, born of parents whose family residence in Canada is of three or more generations, shall be described as being of the "Canadian race" in all legislation and official and other documents.

Think of the trouble such a definition would cause in the matter of hunting up the marriage records of the different persons involved.

The hon. minister has told us something of his own family. My own case is very much the same. My mother was born in England; I was born in Canada, and so on my mother's side I would not be eligible under this definition. On my father's side, it is true, he was born in Canada, and I was born in Canada, but even that would not make me a Canadian.

Mr. SPENCE: You must wait for two hundred years yet.

Mr. BROWN: My children would be Canadians—no, my grandchildren, because they would be of the third generation. Think of the innumerable difficulties involved if we adopt this definition. It would land us in greater difficulties than we are in at the present time. After all, the point is this: Is it worth while attempting to find out what the racial origin of the people of Canada is? If it is worth while, let us adopt the proper means of securing this information. If the intention is to get the exact racial origin of every individual, that will lead to many absurdities, and I have not been able to find any way out of the difficulty; but the resolution, I contend, would involve us in greater difficulties than those with which we are faced at the present time.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Somewhat along the line taken by the last speaker (Mr. Brown), I would venture to suggest that the resolution be amended by striking out clause 2. It seems to me that we owe a great deal to the mover of this resolution for having brought before the house a matter that is of very great importance to the people of Canada. It is absolutely absurd that in the past most of us have had to characterize ourselves as English even although our ancestors may have been in this country for several generations. I can remember as a child feeling almost ashamed of myself because while my schoolmates, when asked what nationality they were, could say English, or Scotch or German, poor I could only say that I did not belong to any nationality, that I was only born in this country. I should be very glad to get away from that situation, and I think we ought to carry out the idea behind this motion. I thought of this the other day when we had to have Canadians defined as British subjects domiciled in Canada. I hope that such phrases will soon cease to be used in this country, and that we shall be quite content to call ourselves Canadian citizens.

But when we come to the question of race, it seems to me that we are in an altogether

different position. I know that historians and ethnologists are very much divided as to what really constitutes a race. I suppose in a general way that language is one of the outstanding marks of a race to-day, but that is not a conclusive distinguishing mark. Throughout the years certain groups have gradually come to have certain distinguishing marks in common. We have these great broad distinctions, one of which is recognized in the resolution, that of colour; we have the white race, the black race, the yellow race, and undoubtedly we subdivide those into a great many other groups. There are a good many differences among the French people, but I presume that the French people to-day have pretty well developed into a distinct race. There are a great many divisions, as has been pointed out, among the English, but I think we may recognize the English as a race. I do not think the Americans can yet say that there is an American race. Undoubtedly there is an American nationality, a nationality of which they are very proud, but they have not yet developed a distinctly American type. There are perhaps three or four types that are emerging, and at some time they may coalesce and become one, but that time has not yet arrived.

In Canada there are two main strains historically, the English, or the Anglo-Saxon, if you will, and I suppose under the latter we must include the Irish, and other Celts, although they are not Anglo-Saxon; and then there is that other great strain, the French-Canadian. We have had a great many strains coming in since then—the Germans, and out in the west, the Slavs, and so on.

I do not know that a very great deal is to be gained by constantly referring to a man's remote ancestors. From a scientific standpoint it may be desirable that we should know the racial origin as well as perhaps the political origin of the people who are coming to this country; hence I can see the reason for retaining in the schedules some term such as "race", which would designate the strain to which a man originally belonged. But I would not like this resolution to go through in the form in which it is here. I do not like the idea of distinguishing between the white and other races. I have friends, Indians, native-born Canadians, and I think they are as much Canadians as anybody that I know of. I would go further and say that I have Canadian acquaintances who are of the second generation of orientals, their fathers and grandfathers having been born in Victoria, British Columbia. As far as I am concerned, I think these people ought to be classified as Canadians if you are going to make Canadians in this fashion. But unfortunately you cannot determine races by a resolution any more than you can make a Clydesdale into a Shetland pony by a resolution. You cannot do it that way. We can create a change of sentiment in political matters, and I suggest that racial sentiments even of the member for Southeast Grey (Miss Macphail) will have to be changed a great deal before we can have a Canadian race for I heard her sympathetically applaud someone who said that he belonged to the Scotch race. If we were really a Canadian race, we would not have such applause as that from a native-born Canadian because we would not conceive ourselves as belonging to any other race than the Canadian race!

That brings up a difficulty which I think was referred to by the Minister of Immigration (Mr. Forke) and which in my opinion is a real one. If you insist that everybody whose people have been resident here for three generations belongs to the Canadian race and is quite different from everybody else, you will be apt to create class distinctions, I am not sure that that would not be a fairly healthy class distinction. I suppose that is because I would qualify for that group, but still I cannot help acknowledging that some of the people who of their own volition migrated to Canada are just as much deserving of being Canadians in the very fullest sense of the term as those of us who have done nothing to account for our being here—who are here simply because our grandfathers had courage enough to cross the seas. I do not know that we gain very much by creating distinctions of that kind in this country. We would be on a sounder basis if we recognized as being Canadian citizens, whether by birth or naturalization, all the people of this country who are determined to upbuild the Canadian nation. In order that this resolution should not be dropped, and on the other hand that we should not place ourselves in the rather awkward position of attempting by resolution to define ethnological divisions, I venture to move that the resolution be amended by striking out clause 2.

Mr. GEORGE BLACK (Yukon): Mr. Speaker, although I am entirely in favour of developing Canadian sentiment and Canadian individuality, I cannot see that this resolution either confined to the first clause or including the second, will do anything other than make confusion worse confounded so far as establishing a Canadian nationality is concerned. If paragraph one of the resolution should

carry, then even orientals born in Canada would be of Canadian nationality. I do not think that is desirable at all. And as to the second paragraph, which the hon. member for Winnipeg North Centre (Mr. Woodsworth) has moved to strike out, it is entirely impossible from my own standpoint, because under it I would not be a Canadian! My parents were born and resided in New Brunswick before New Brunswick came into Canada at all. My grandparents did not live to see the maritimes become part of Canada. This paragraph would exclude the people of British Columbia, the middle west provinces and maritimes, and would only make Canadians of the bulk of the people of what was formerly Upper Canada and Lower Canada. I think we would do well to drop the resolution altogether.

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, I do not rise to offer any extended remarks on this resolution, for it has already been pretty well discussed. The debate has brought home to us two things: the lofty sentiment and principle involved in the resolution itself, and the confusion that would inevitably ensue if the resolution were adopted in its present form.

The preamble in my opinion points with pardonable pride to the position that Canada has attained as a member of the commonwealth of nations and also as a member of the League of Nations. I join with other members in the view that some day we should be able to describe the citizens of this country in all public documents in a manner consonant with the equality of status which Canada now enjoys. At the same time it has been made very clear that serious difficulties might follow the adoption of the resolution in its present form.

I am afraid the mover of the resolution has been confused on one point. He seems to be under the impression that every person born in Canada is a Canadian national. This is not so according to the provisions of the act to define Canadian nationals, chapter 21 of the revised statutes of Canada, 1927. Clause 2 clearly defines the following persons as Canadian nationals:

(a) Any British subject who is a Canadian citizen within the meaning of the Immigration Act;

(b) the wife of any such citizen;

(c) any person born out of Canada whose father was a Canadian national at the time of that person's birth, or with regard to persons born before the third day of May, oue thousand nine hundred and twenty-one, any person whose father at the time of such birth possessed all the qualifications of a Canadian national as defined in this act.

It is obvious, Mr. Speaker, that to be a Canadian national it is essential that a person be a British subject.

I happened to be in the house when this legislation was being dealt with, and I remember the object of the then minister of justice, Mr. Doherty, was to distinguish between British subjects in Canada, in Australia, and in other parts of the empire. The house was in a humorous mood at the time and I recall that an hon. member during the course of the debate asked whether this was a railway bill or some other kind of bill. It illustrates the practical difficulty at times of giving any reality to the most lofty sentiments. I am in agreement with those hon. members who have stated that we cannot create a race by statute.

I agree with the amendment that has been moved by the member for Winnipeg North Centre (Mr. Woodsworth), but I think there should be a change also in the first part of the resolution, and that instead of reading:

That persons born in Canada (or otherwise defined as Canadian nationals)—

—we should use the term, British subjects. The paragraph would then read:

That British subjects born in Canada (or otherwise defined as Canadian nationals) shall be described as being of Canadian nationality—

—and so on. This would clarify the clause. Undoubtedly, Mr. Speaker, the principle of this resolution has much merit, but the apt expression of that principle presents considerable difficulty. Therefore inasmuch as the member for Springfield (Mr. Bissett) has achieved his purpose by bringing the question before the house, which has resulted in a very interesting discussion, perhaps he will now consent to withdraw the resolution. It certainly cannot be accepted in its present form, and even if amended as proposed by the member for Winnipeg North Centre I would have to vote against it.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I think the hon. Secretary of State (Mr. Rinfret) has stated the case with great clearness. I ventured to remark to the Prime Minister (Mr. Mackenzie King) a moment ago that this is one of the most difficult of all matters that we could undertake to deal with, and the Secretary of State has clearly explained the reason. So far as the second section of the resolution is concerned, I think upon reflection its sponsor will see that to adopt it would make us more or less ridiculous. The hon. member for Lisgar (Mr. Brown), as well as the Minister of Immigration (Mr. Forke) has made that abundantly clear.

I think the hon. member for Springfield (Mr. Bissett) when he drafted his resolution overlooked two words in the definition of Canadian nationals—the words, "British subjects". That is the only difficulty as I see it at the moment, and as the Secretary of State has pointed out. There can be no such word as "national" applied to a Canadian citizen in the sense in which it is used in this resolution; it would be applicable only if Canada were an independent state. That is the reason why in the statute defining Canadian nationals the word "British" precedes the word "subject", as brought to our attention by the minister. We are British subjects; we are Canadian citizens. And so long as Canada continues within the empire we are British subjects, although we may be and are at the moment Canadian citizens. The problem of defining a Canadian national was one which the former minister of justice endeavoured to deal with in the statutes of 1921, and the reasons need not now be adverted to that compelled him, in the very nature of things, to define it, just as the minister has indicated, in section 2:

The following persons are Canadian nationals, viz:—

(a) Any British subject who is a Canadian citizen—

Mark the word "citizen."

—within the meaning of the Immigration Act, chapter 27 of the Statutes of 1910, as heretofore amended.

(b) The wife of any such person.

That is merely an expression of the common law of England that the domicile of the wife is that of the husband, as decided by the Privy Council.

(c) Any person born out of Canada whose father was a Canadian national at the time of that person's birth—

A Canadian national being, of course, a British subject, defining that term as in the preceding portion of the section.

—or, with regard to persons born before the passing of this act, any person whose father at the time of such birth possessed all the qualifications of a Canadian national as defined in this act.

The essential word in all that definition is the word "British," which precedes the word "subject;" and so long as we remain a dominion within an empire—that is to say, the British Empire—our position is that of British subjects and Canadian citizens. I do not think there is any method by which that question can be dealt with by this parliament except that to which the minister has just referred and which, as he has pointed out, was so fully explained by the Right Hon. C. J. Doherty when as Minister of Justice he introduced this measure shortly after the war. There is, however, this to be said. At the imperial conference of 1926 a committee of legal experts was to be set up, and among the many matters with which they would necessarily have to deal would be the question as to the position, for purposes of definition if no other, of citizens of Australia, of South Africa, of Canada, of New Zealand; and the question of citizenship relates, of course, to the territorial area in which one makes one's home, the question of one's allegiance being determined by the crown, or the head, or the authority to which allegiance is owed. In this instance, as I have said, we are British subjects because of our allegiance to the British crown.

I think that my hon. friend who has moved the motion has very properly directed attention to this matter, because it is one of great difficulty, and I do not think this parliament could adopt the resolution without doing violence to the legal principles that govern and surround us at the present moment, having regard to our position as the minister has indicated it.

I agree with the suggestion made by the minister, which is one, I think, that might well be acted upon by the hon. member; and inasmuch as he has directed the attention of the house to the difficulty—a difficulty well known to the Prime Minister (Mr. Mackenzie King) and to those who attended the imperial conference of 1926—the whole question will then be later dealt with.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) drew attention to the reasons that have governed heretofore in the various census columns in dealing with a matter of this kind. The desire for scientific knowledge as to the effect of the fusion of races and the characteristics that have marked people, by reason of their origin and the intermingling of races, is something which to the historian is of tremendous importance in the light of the scientific information which we are now gathering. The knowledge that has been stored away in the census reports of bygone years is now coming to be regarded as more and more valuable as the history of various races is being prepared and written.

I have been recently reading a book called The Stream of History, which perhaps some hon. gentlemen have seen, and one begins to realize how valuable indeed it is to us to have a record of the past and to have a clear understanding of the causes that have brought

about the results which are now apparent. In the tracing of facts back to primal causes scientific knowledge is, of course, attaining to great accuracy; because, after all, science does not create new facts but merely discovers what facts are, and in the light of the knowledge we possess in our census returns we are able to make more accurate generalizations, if I might use that term—although, possibly, "generalizations" is too wide a term to employ with respect to scientific knowledge touching these matters. I suggested to the Prime Minister that in our census returns we might—and I fancy we shall—make provision whereby it will be abundantly clear that the persons who are being enumerated are Canadians or were born in Canada, and that their ancestors have resided here for a considerable number of years. The racial origin of Canadians is still important, and that, I understand, is why the census returns are given as they appear.

So far as the second branch of the resolution is concerned, I am sure that upon reflection the hon. member will realize the impossibility, by act of parliament, of accomplishing what he has in mind. There is no doubt that there is a growing sentiment in the country, a sentiment which manifested itself, as the hon. member for Winnipeg North Centre said, when he was a boy—and I may remark that it was equally manifest in my youth—for one born in this country to describe oneself with pride as a Canadian. I had no hesitation when recently in Central Europe in describing myself as a Canadian. I did so with much pride, and I am bound to say that I received from those with whom I came in contact a courtesy and consideration which would not have been accorded me had I described myself as a resident of another part of the American continent. I leave it at that, remembering, as I trust we shall all of us remember, that the passports we carry, while Canadian in their origin, are in the ultimate analysis valuable because we are British subjects and Canadian citizens. That fact should never be overlooked.

The acceptance of the second part of the resolution would leave the children of some Canadians rather nondescript, inasmuch as they could not properly be described as Irish, or Scotch, or English, and not being of the third generation they could not be described as Canadians. In other words, they would be in no man's land, impossible of designation within the census. For these reasons, without elaborating them, and without at greater length discussing the legal difficulties, I heartily agree with the suggestion made by the Secretary of State, that the purpose which the hon. member has in mind has been served and that the resolution be for the moment dropped. This might well be done, having regard to the character of the resolution and the legal difficulties that surround the enactment of the measures contemplated, and in view of the fact that the minister charged with responsibility with respect to the census will, as was stated in a public journal not long since, take steps to see that in some column will be made adequate provision to record the information so much desired by the hon. member.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): I have no desire to detain the house at any length with regard to the resolution, but I think it might be of interest to note the methods that are now in use in the Dominion Bureau of Statistics in recording census figures. The Secretary of State (Mr. Rinfret) and the leader of the opposition (Mr. Bennett) have reviewed the definition of a "Canadian national" as given in the statutes. First, any British subject is a Canadian citizen within the meaning of the Immigration Act but the hon. gentleman failed to quote the Immigration Act of 1910 defining Canadian citizenship. It is, first, any person born in Canada who has not become an alien; second, a British subject who has Canadian domicile; third, a person naturalized under the laws of Canada who has not subsequently become an alien or lost Canadian domicile. Under the present method of reporting statistics the country of birth of each person is recorded; in the case of Canadian-born, the province of birth is recorded. This differentiates the Canadian-born and the British-born from the foreign-born, and in the case of the Canadian-born it enables the movement of our native Canadian stock, within the limits of Canada, to be traced from time to time. The birthplaces of the father and mother of each person are also recorded for the purpose of distinguishing Canadian families resident in Canada for three or more generations thus instituting a further and special standard of Canadianism.

It is to be noted from these headings that the census describes everyone of Canadian nationality as Canadian, everyone born in Canada as of Canadian birth and everyone whose family has been resident in Canada three generations or more as Canadians in a special sense. The last census gave figures which the leader of the opposition described as rather essential. The last census showed

that of a total population of 8,788,483 those of Canadian nationality numbered 8,412,383, of which number 514,182 were Canadians by naturalization. The number of Canadians by birth was 6,832,747, while the number of Canadians whose family residence in the country is of three or more generations was only 4,857,523. Therefore if the second part of this resolution were to carry it would be shown that the Canadian race numbered just about half the population of the Dominion, which would be a very unfair condition. Of the derivations of the Canadian people as recorded in the census the more important were English, 2,545,496, French 2,452,751, Scotch 1,173,637 and Irish 1,107,817. These figures are analysed and amplified in the census reports from literally hundreds of points of view, the object being to lay bare all the essential and crucial facts concerning the population.

In discussing with the Dominion statistician the last census and the methods followed the government have expressed the desire that as far as possible all Canadians should be treated as Canadian citizens within the meaning of the Immigration Act and the act with regard to Canadian nationality. Furthermore, I think there will be a slight simplification in the number of questions asked; I think perhaps the thirty-five questions asked during the last census caused a certain amount of annoyance. I can assure the house and my hon. friend who moved this resolution that if it were possible to carry out his wishes the government would have no objection, but for the very obvious reasons advanced by the leader of the opposition and the Secretary of State I feel that he would be well advised to withdraw his resolution.

Mr. E. D. R. BISSETT (Springfield): In my remarks I raised no objection to tracing the racial origin of the Canadian people; I said I thought that was of scientific importance, but I also said that on this form we should have a column under which those born in Canada whose family has been in this country for three or more generations could designate themselves as of the Canadian race, and certainly there should be a column for Canadian nationals. Those were the points I wished to bring out.

With regard to the division of Canadians into different races, I appreciate the legal aspect of the question as brought out by the leader of the opposition (Mr. Bennett), but while it is quite true that there are only a few main races, the reds, whites, blacks and yellows, nevertheless in taking the Canadian census and in the compilation of the population by the department at Ottawa we find on page 40 of the Manitoba census for 1926 that the British races are classed as English, Irish, Scotch, and Welsh. Then the list goes on to include French, Austrians, Belgians, Chinese, Finns, Germans, Dutch, Hebrews and so on. In other words, for the purposes of statistical information the division of the races by colour is disregarded, and the object of my resolution was to bring in under these subclasses of English, Irish, Scotch and so on a Canadian classification which would apply to Canadians of the third generation resident in this country.

I see there is some difficulty in the way through legal reasons, although since this is only a resolution I do not see how it would bind parliament so far as the legal aspect of the question is concerned. However, if I could have the assurance of the government that an effort will be made to have included in the birth and death certificates a column for Canadian nationals, I would agree to withdraw the resolution.

Motion withdrawn.

On motion of Mr. Mackenzie King the house adjourned at 9.50 p.m.

Monday, February 18, 1929

The house met at three o'clock.

MAIN ESTIMATES FOR 1929-30

A message from His Excellency the Governor General transmitting estimates for the year ending March 31, 1930, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

ST. LAWRENCE WATERWAY

On the orders of the day:

Hon. R. J. MANION (Fort William): I should like to ask the Prime Minister a question based upon a report in the Toronto Globe of Friday last, from which I shall quote one paragraph which explains the whole report. It is dated Windsor, February 14, and reads:

> That the time is ripe for the development of the St. Lawrence waterway, and that the power developed would pay for the entire cost of the project was the statement of the Hon. Charles Stewart, Minister of the Interior in the Dominion cabinet, at a meeting of the Border Cities chamber of commerce here this afternoon.

I wish to ask if this is a statement of the policy of the government in regard to the St. Lawrence waterway.

Right Hon. W. L. MACKENZIE KING (Prime Minister): When the government has a statement to make on the St. Lawrence waterway it will be made in the House of Commons.

Mr. MANION: What about the solidarity of the cabinet?

GRAIN SHIPMENTS

PRINCE RUPERT ELEVATORS AND ALBERTA WHEAT POOL

On the orders of the day:

Mr. J. C. BRADY (Skeena): I should like to draw the attention of the Minister of Trade and Commerce (Mr. Malcolm) to a very critical situation that exists at this time at the port of Prince Rupert. I received a telegram to-day from the Prince Rupert board of trade, stating that a grain boat has been lying in the harbour for the past ten days waiting for a cargo of grain, that there is no grain in the local elevator and none on the road, and that the Alberta wheat pool had been communicated with by the board of trade, but no reply had been received. I would ask the minister what action will be taken in reference to this very peculiar situation at the port.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): I did not hear the first part of the statement by my hon. friend, but I take it to mean that the Alberta wheat pool is not passing enough grain through the Prince Rupert elevator; is that it?

Mr. BRADY: No: There is no grain in the elevator, and none on the road, and a grain boat has been lying in the harbour for the past ten days. Ostensibly it came in for a cargo, and there is no cargo there.

Mr. MALCOLM: I suppose my hon. friend knows that the Prince Rupert elevator was leased to the Alberta wheat pool, the feeling of the government though being that that would ensure a certain amount of grain passing through the terminal at Prince Rupert. The intention in leasing the elevator was to ensure grain being passed through that port. Whether or not there is enough grain passing through it depends very largely upon whether the Alberta wheat pool thinks it advisable to use the port. I shall be glad to look into the matter, but I have no personal knowledge of it.

[Mr. Manion.]

CANADIAN NATIONAL RAILWAYS

PENSIONS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I have received a communication from one of the railway brotherhood organizations asking whether in the legislation before the house in regard to pensions, provision is made that there shall be no deductions for time spent by the officials on the business of the organization. I wonder if the Minister of Railways can inform me with regard to that point.

Hon. C. A. DUNNING (Minister of Railways and Canals): I can assure my hon. friend that the matter to which he refers, although not touched in the legislation itself, is adequately taken care of in the regulations under which the fund operates.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ORDNANCE LAND, SHELBURNE—TIMBER SALE

Mr. ERNST:

1. Has the standing timber on the barracks land at Shelburne, Nova Scotia, been sold?
2. If so, how was it disposed of, by a stated price per thousand feet standing, or at a knock down price for a stated sum?
3. At what price was it sold?
4. To whom was it sold?
5. Was there more than one offer for the property?
6. Was the timber put up for tender?
7. If so, where was it advertised?
8. At what time was it disposed of?
9. What is the size limit under the sale?
10. What regulations are made in regard to the disposal of slash?

Mr. STEWART (Edmonton):

By order in council of 23rd January, 1929, council authorized the sale to Messrs. Robert M. McKay & Co. of a parcel of ordnance land at Shelburne, N.S., being part of the barrack land reserve, and containing an area of 167 acres, occupied under lease by Messrs. Robert M. McKay & Co., the lessees having applied to purchase under the provisions of the Ordnance and Admiralty Lands Act, chap. 115, R.S.C. 1927. The property was sold for the sum of $1,100, being the valuation fixed thereon by experienced departmental officers, and this price included the timber on the land.

SECTION 26-32-32 W. 1ST M.

Mr. CAMPBELL:

1. To whom was section 26, township 32, range 32, west of the 1st Meridian sold?
2. What were price and terms?
3. On whose recommendation was the sale made?
4. Were any other offers made for the land?

Mr. STEWART (Edmonton):

1. Norman McKay, Verigin, Sask.
2. Ten dollars per acre, one-tenth cash, balance in nine equal and consecutive annual instalments.
3. Department considered this section no longer required by Indians for purpose for which is was originally reserved.
4. No.

PROFESSIONAL AND TECHNICAL OFFICIALS—SALARIES

Mr. BLACK (Yukon):

In view of the statement made by the Minister of Finance towards the close of last session that he was sympathetic to increases of salaries to the professional and technical members of the civil service, and that the matter would be carefully considered during the recess; have the said increases been given consideration and will they be made this session, to implement the recommendation of the Civil Service Commission?

Mr. ROBB:

The adjustment of salaries paid to professional and technical members of the civil service is receiving consideration.

POST OFFICE DEPARTMENT—NEWSPAPER REVENUE

Mr. CAMPBELL:

1. What did it cost the Post Office Department to carry newspapers for the year ending 31st December, 1927?
2. What revenue was derived from this service?
3. What did it cost the Post Office Department to carry newspapers for the year ending 31st December, 1928?
4. What revenue was derived from this service?

Mr. VENIOT:

1. Exact figures as to cost of carrying newspapers not available as it is not practicable to keep cost of handling newspapers separate from cost of handling other classes mail matter, but according to statistics taken in 1925 the cost is approximately $8,500,000 per annum.
2. $1,573,167.18.
3. See No. 1.
4. $1,585,187.52.

TECHNICAL EDUCATION ACT—GRANTS

Mr. BRADY:

1. What amount of the ten million dollars appropriated under the Technical Education Act, is at this date unexpended?
2. Of the grants already made to the various provinces under this act, what amount has each province already received?
3. Of the sum still unexpended, what portion is available for the province of British Columbia?

Mr. HEENAN:

1. Lapsed	$1,140,174 90
Unexpended and available	1,462,936 64
	$2,603,111 54
2. Prince Edward Island	$ 64,317 85
Nova Scotia	280,273 43
New Brunswick	392,951 21
Quebec	2,071,462 38
Ontario	3,178,608 97
Manitoba	182,344 37
Saskatchewan	142,599 11
Alberta	604,671 37
British Columbia	479,659 77
	$7,396,888 46
3. Lapsed	$ 32,761 00
Unexpended and available	120,659 78
	$153,420 78

HOUSE OF COMMONS—MEMBERS' STENOGRAPHERS

Mr. DIONNE:

1. Is it true that the members' stenographers' salary is $4 per diem?
2. Is the government aware that the salary of the entire staff of the senators' stenographers, performing duties identical to those of the members' stenographers, is $5 per diem?
3. Is it the intention of the government to increase the members' stenographers' salary this session?
4. If not, why?

Mr. SPEAKER: Dropped.

UNOPPOSED MOTION FOR PAPERS

S.E. ¼ SECTION 11-42-4W. 4TH M.

Mr. SPENCER:

For a copy of all letters, telegrams, correspondence, and any other documents in possession of the government, or any department thereof, in connection with the s.e. ¼ of section 11, township 42, range 4, west of the 4th meridian.

HALIFAX-WINDSOR JUNCTION OPERATING AGREEMENT

Mr. ERNST:

For a copy of the agreement between the Canadian National Railways and the Canadian Pacific Railway, respecting the operation of the railway line between Halifax and Windsor Junction in the province of Nova Scotia.

Mr. DUNNING: Mr. Speaker, might I point out to my hon. friend who moves this motion that orders of the house usually have to do with information which is in the possession of the government. This information relates to an agreement between the Canadian National and the Canadian Pacific railways. I am not familiar with the agreement, but certainly the information is not in the possession of the government. I shall be very glad, however, to forward the inquiry to the headquarters of the Canadian National Railways, and they of course will answer it if it is not against the interests of the railways so to do.

Mr. BENNETT: Under the Railway Act copies are filed here.

Mr. DUNNING: The Canadian Pacific themselves might object.

Mr. BENNETT: A copy of the agreement is filed here.

Motion stands.

SLAUGHTER OF TUBERCULOUS CATTLE, DAYSPRING

Mr. ERNST:

For a copy of all correspondence, telegrams and other documents whatsoever, passing between the Department of Agriculture and the Department of Natural Resources of the province of Nova Scotia and/or any other person or persons, respecting the slaughter of cattle reacting to the bovine tuberculosis test on the municipal poor farm at Dayspring in the county of Lunenburg.

TANCOOK PUBLIC WORKS

Mr. ERNST:

For a copy of all pay-rolls, time sheets and other documents relating to the expenditure of moneys by the Department of Public Works at Tancook in the county of Lunenburg during the calendar year 1928.

BRITISH COLUMBIA CANNERY LICENSES

Mr. NEILL:

For a copy of all letters, telegrams and correspondence generally, exchanged during the last six months between the government of the province of British Columbia or any minister or official thereof, and the government of the Dominion of Canada, or any minister or official thereof, relative to the issuing of cannery licenses in the province of British Columbia.

[Mr. Spencer.]

MCPHERSON'S COVE WHARF, P.E.I.

Mr. MACDONALD (Kings):

For a copy of all pay-rolls and accounts in connection with repairs made to the wharf at McPherson's Cove, Prince Edward Island, during the summer of 1928. Also a return showing the names of all parties employed, the number of days of employment, the rate per day, and the total amount paid to each, along with the quantities of stone, lumber and other materials purchased, showing the rate per ton, yard or foot, etc., paid for such material, the total cost of same and the names of parties from whom purchased, and the amount paid to each.

GRAHAMS POND HARBOUR, P.E.I.

Mr. MACDONALD (Kings):

For a copy of all pay-rolls and accounts in connection with repairs made to the boat harbour at Grahams Pond, Prince Edward Island, during the summer of 1928. Also a return showing the names of all parties employed, the number of days of employment, the rate per day, and the total amount paid to each, along with the quantities of stone, lumber and other materials purchased, showing the rate per ton, yard or foot, etc., paid for such material, the total cost of same, the names of parties from whom purchased and the amount paid to each.

NATURAL RESOURCES—PRAIRIE PROVINCES

Hon. J. W. EDWARDS (Frontenac-Addington) moved:

That, in the opinion of this house, in the best interests of confederation, and the economic development of western Canada, the provinces of Manitoba, Saskatchewan, and Alberta should be granted their natural resources free from restrictions within the legislative competence of parliament of Canada with provisions for the maintenance and administration of school lands and school land endowment funds for educational purposes according to the laws of the respective provinces, but in compliance with the letter and spirit of the constitution, and that the claims of these provinces to compensation for loss for lands and resources alienated, and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactory and equitable adjustment.

He said: Mr. Speaker, the subject matter of this resolution has been of general interest throughout the Dominion for many years. In relation to it articles have been written, resolutions adopted and petitions signed by tens of thousands of citizens in the various provinces. The petitions have been placed upon the table of this house. The return of the natural resources of the prairie provinces has been the subject of discussion in the press and on the platform; but in this parliament, the place above all others where it should be discussed, it has not been, for the reason that the government by devious methods has prevented

debate. That, in my judgment, has been a mistake. I believe the members of this house have given a great deal of thought to this question, and I am confident that a candid exchange of views in relation thereto will go far towards removing misunderstandings, and will be for the general benefit of all concerned.

In the session of 1922—the first session after the advent to power of the government led by the right hon. the Prime Minister (Mr. Mackenzie King)—the government in the speech from the throne indicated its intention of dealing with this matter and of transferring to the prairie provinces their natural resources. Nothing was done, however, to implement that promise contained in the speech from the throne, and I am sure no person will attach any blame to the Conservative party for lack of action on the part of the government, inasmuch as the Conservative party at that time, unfortunately for the best interests of Canada, numbered only some 50 members. But the question was brought up again in the session of 1926. That session opened on January 7th, I believe, and the last paragraph in the speech from the throne reads:

> Your attention will be invited, among other measures, to a bill to provide for the transfer to the province of Alberta of its natural resources.

As I said, the matter had been discussed and studied at very great length, and intensively; and a day or so after the house opened an agreement, a copy of which I have in my hand, was placed on the table of the house. That agreement was dated January 9, 1926. It was an agreement entered into, after a careful study of the matter, between the province of Alberta and the federal government. That agreement was signed on January 9, 1926, by the Minister of Justice (Mr. Lapointe) and the Minister of the Interior (Mr. Stewart), representing the federal government, and by Premier Brownlee and the Hon. Vernon Smith, representing the province of Alberta. The agreement was to be the basis of concurrent legislation to be passed by this house and by the Alberta legislature, and after such legislation should have been passed by the two houses concerned the agreement, according to its last clause, 26, which I will read, was to be confirmed by the Imperial parliament. That clause reads:

> This agreement is made subject to its being approved by the parliament of Canada and by the legislature of the province of Alberta, and shall take effect on the first day of the calendar month beginning next after the day upon which His Majesty gives his assent to an act of the Imperial parliament of Great Britain and Ireland confirming the same.

For nearly three weeks that agreement had been in the hands of members of the house and available to the press, and so far as I know it had not been commented upon adversely by any newspaper nor by any person in Canada. No individual, no newspaper attacked the agreement on the ground that it was unjust in any particular to either of the contracting parties, and all of us who were in the house at that time rejoiced at the apparent fact that this matter was going to be settled, and settled to the satisfaction of all concerned. That was the situation until January 29, 1926, when the hon. member for Labelle (Mr. Bourassa) rose in his place and spoke as follows—I quote from Hansard of that year, page 556:

> As regards the last paragraph in the speech from the throne, "natural resources of Alberta", I put to the government this question, to which they need not reply to-day: Why Alberta alone? Why not Manitoba and Saskatchewan? The same principle, the same policy, apply there. The right hon. gentleman stated the other day that it had been a great mistake not to hand those natural resources to the provinces of the west when they were formed. This opens up a very complex aspect of the question. I am not going to dwell upon it to-night; but I am in duty bound to tell the members of the government that when, in 1905, the provinces of Alberta and Saskatchewan received their provincial charters at the hands of this parliament. . . . the matter was discussed at length in private as well as in public. I stand here, with one exception, I think, the only living witness of one of those conferences in which it was agreed that these natural resources should remain in the hands of the federal government for various reasons, one of which was that they should serve as a guarantee of the maintenance of what remained of the school rights of the Catholic and French minorities of those provinces. I do not want to take the house by surprise, nor do I relish the idea of having to resuscitate these old questions in the house. But, sir, I should be remiss in my duty, I should be disregarding the honour of my solemn word pledged at the time, that if any change was ever made in the material terms of the contract, I would stand as a witness to that contract—I say, I should fail in my duty if I did not on this occasion demand that the moral obligations then undertaken be strictly fulfilled. Indeed, I will not see—

Here comes the threat.

> —a shred of those promises broken without stating what I know to be the truth of the matter and indicating what part I myself played in the undertaking, and with what object. Before this question is settled, there must be a frank, a clear and an honest understanding as to what shall be done in respect of the solemn moral obligations entered into when that reservation was made. I shall let it go at that for the present.

Now it must occur to anyone who heard the hon. member for Labelle on that occasion, and to others who have read his remarks since, that there are two outstanding features in the

statement he made that day. One is that while the people of Alberta and Saskatchewan, and generally the people of the Dominion, thought that all the cards had been laid on the table and that everything was open and above board, there was a cabal or secret conference being held with the government of the day, in which conference a certain agreement was entered into which was to be held as a club over the heads of the people of the west to force them to submit to the dictatorial whims of the hon. member for Labelle and of those who were associated with him. Putting it mildly, I say that these words of the hon. member for Labelle contain a reflection upon the then leader of the government and Prime Minister of Canada. They leave an unpleasant taste in the mouth, because they certainly imply that the then leader of the government was a party to something which would not bear the light of day, or that he did not choose to let the people of Canada know what was going on.

Personally, I am not disposed to take seriously or to value at 100 per cent many of the statements made by the hon. member for Labelle. I have noticed in recent years this very significant tendency on the part of the hon. gentleman; he has shown a disposition nearly always to quote those who are dead and consequently are not in a position to defend themselves. He speaks, here, learnedly of his intimate relations with all the distinguished men, from Julius Caesar and Napoleon, from Gladstone and Disraeli down to the present time. He tells us how, in their eagerness to open the door to him when he calls upon them, they slip down in their dressing gowns or in their pajamas; they are so eager to meet him. But they are dead and have no opportunity of defending themselves against the charge. However, when I caught the reflection—as I construe it—upon the late Sir Wilfrid Laurier, contained in these remarks of the hon. member for Labelle, I looked to see the members of the government as well as many hon. members on the other side of the house show their resentment.

Mr. FORKE: I did show my resentment at the time.

An hon. MEMBER: That is another matter.

Mr. EDWARDS (Frontenac): You are just a few years late in that, as in many other things. Somehow or other my eye fell first upon the face of the Solicitor General, and it gave me some pleasure to note "dark lightnings flash from Lucien's eye and his hand go to his sword." When I looked at the members of the cabinet sitting in the front rows I saw very different expressions; there was visible moisture in the eyes of the Minister of the Interior as he glanced at the drawn and sorrowful features of the Minister of Justice; the smile which usually adorns the handsome countenance of the Minister of Railways was replaced by a look of incredulous amazement, or amazed incredulity, as he contemplated the airy castles of his vaulting ambition crumbling into dust around him. The lights and shadows of conflicting emotions scintillated over the polished dome of the Minister of Agriculture, as though the aurora borealis had changed the scene of its activities from the frozen north to his frozen countenance. Words fail to describe the expression which appeared on the face of the Prime Minister, but he did lean towards the Minister of Justice and I thought I caught these words:

> Let me have men about me that are fat;
> Sleek-headed men, and such as sleep o' nights.

Then, with a look towards the hon. member for Labelle, I thought I heard him say:

> Yond Cassius has a lean and hungry look.
> He thinks too much; such men are dangerous.
> Such men as he be never at heart's ease
> Whiles they behold a greater than themselves
> And therefore are they very dangerous.

To all of this, of course, the Minister of Justice gave his assent.

> Ah! then and there was hurrying to and fro—
> And gathering tears, and tremblings of distress,
> And Grits grew pale, who but an hour ago
> Were flushed with self praise of their own cleverness—
> And there were dire forbodings, such as press
> The life from faltering hearts, and choking sighs
> Were many times repeated; who could guess
> What cruel fate might meet their tear filled eyes,
> Since upon hopes so sweet such awful threat could rise!

Undoubtedly there was a hurrying to and fro; there was a hurried meeting of the cabinet to discuss the matter; there was a hurried conference with the miniature Mussolini and a hurried compliance with his demands; there was a hurried trip by the chief electoral officer to the west to influence Premier Brownlee, and there was an acceptance by Premier Brownlee of the amendment dictated by the hon. member for Labelle which he later repudiated after more mature consideration, to his credit be it said. On April 7, 1926, Premier Brownlee wired the Prime Minister that he would have to change his bill and re-submit it to the legislature; the Prime Minister wired back that he must not make any changes, that it was the exclusive prerogative of his government to make

changes, and they could not countenance any infringement of their patent rights. In addition, the right hon. gentleman had peaveys and cant-hooks and other necessary appliances for log rolling, and his government had had a good deal of experience along that line. However, on May 25 Premier Brownlee wired the Prime Minister that the provincial legislature had passed the natural resources bill with an amendment to section 2 (a) substituting the following words:

For the support of schools organized and carried on therein in accordance with the law of the province.

On May 27 the Prime Minister wired Premier Brownlee as follows:

The amendment you have passed suggests that the laws of the province might differ from or be in conflict with the Alberta Act of 1905. Surely the laws of the province must be within the four corners of the constitution which is the source of her legislative powers.

It seems to me Premier Brownlee might have replied, "Surely the laws passed by you and your government at Ottawa must be within the four corners of the British North America Act, which is the constitution of Canada." However, on June 1 the government said that the legislation promised in the speech from the throne would not be proceeded with during that session, and the Minister of Justice stated that his department was preparing to submit the matter to the Supreme Court. I desire to direct attention to the fact that this was on June 1. When the government declared that it was not their intention to proceed with that resolution why did they not wipe it off the order paper? The resolution was kept on the order paper for one reason only; as long as it appeared there no member of this house could discuss the matter.

Now I want to refer to another matter of interest. On June 28, 1926, the government headed by the present Prime Minister resigned; his party came across to this side of the house while the Conservative party took over the reigns of government with Sir Henry Drayton acting as leader. I impress upon your attention the fact that up to June 28 the heart of the Prime Minister was adamant; he would do nothing. He had hardly assumed his seat on this side of the house on June 29 before he brought up this matter; the conversation which took place appears at page 5158 of Hansard, and is as follows:

Mr. Mackenzie King: In connection with the legislation, does my hon. friend include the bill for the transfer of the natural resources to Alberta, which appears on the order paper as a resolution?

Sir Henry Drayton: We have not as yet had time to go into what has been done by my hon. friend in that connection, but it has been noted. We do not propose to take any action one way or the other in the dying days of this session in connection with that legislation.

Mr. Mackenzie King: That means no action?

Sir Henry Drayton: No action this session.

Mr. Mackenzie King: That will be gratifying, I am sure, to our friends from Alberta.

Sir Henry Drayton: I am quite sure, Mr. Speaker, they will not be shocked, because they have been gently prepared by no action at all on the part of gentlemen opposite, who have had lots of time to act, which we have not had.

Note the difference made by a few yards. The Prime Minister was without compassion for the people of Alberta when he sat to your right, Mr. Speaker, but as soon as he crossed to this side of the house his heart was touched and he thought Alberta should have her resources returned immediately. Without any desire to speak disrespectfuly—and I am sure hon. members will not take me up in that way—the action of the Prime Minister in this connection reminds me of a general belief that crocodiles are supposed to shed tears while devouring their victims. It also reminds me of an old proverb to the effect that the bellowing cow soonest forgets her calf. That was almost three years ago, and as yet these resources have not been returned.

Now I wish to refer to another statement made by the Minister of Justice on that occasion, which will be found in Hansard for June 1, 1926. He referred to the Dominion Lands Act of 1872 which, as you know, set apart sections 11 and 29 in every surveyed township as an endowment for educational purposes. He drew attention to the act of 1879 which placed under the Minister of the Interior the administration of school lands, and he called attention to the fact that the act had been consolidated in 1906, 1908, 1914, 1916, 1919, 1920, 1921, 1923 and 1924. As the Minister of Justice (Mr. Lapointe) has referred to that act, permit me to quote section 23, chapter 31, as follows:

All moneys realized from the sale of school lands shall be invested in Dominion securities and the interest arising therefrom . . . . paid to the province or territory . . . . towards the support of public schools therein, the moneys so paid to be distributed with such view by the government of such province or territory in such manner as may be deemed most expedient.

That is the act of 1879. If you will take the trouble, Mr. Speaker, to look at the act of 1906, referred to by the Minister of Justice, you will find the wording of the clause exactly word for word and comma for comma with the act of 1879. This money was to be appropriated and used for public schools. This act was passed the year after the autonomy bills were passed by the same government.

In the act of 1908 the clause was changed by the elimination of the word "public," but in every other respect it was the same. It covers the support of schools carried on in accordance with the laws of the province. The clause is the same when the acts were consolidated under the Borden and Meighen and King governments.

I ask you to note the objection raised by the Minister of Justice when discussing this matter on June 1, 1926. Referring to the amendment proposed by Premier Brownlee, he said:

> The amendment made by the legislature of Alberta without our consent suggests that the laws of the province might differ from or be in conflict with section 17 of the Constitutional Act of Alberta.

If the Minister of Justice was on sound ground when he made that statement in the session of 1926, then I say the Dominion lands act passed by the Laurier government in 1906-8, by the Borden and Meighen governments, and by the government of the right hon. the Prime Minister in 1923-24 are open to the same objection the Minister of Justice raised to the amendment proposed by Premier Brownlee of Alberta.

May I direct your attention to another matter in connection with this transfer of natural resources. Twenty-two million acres of land were added to the province of Ontario in 1888, and in 1912 an additional 93,696,000 acres were added, making a total of 115,696,000 acres. In 1898 there were added to the province of Quebec 101,323,361 acres and 227,375,000 acres in 1912, or a total addition since confederation of 328,698,361 acres. Since confederation there has been added to Quebec an area much larger than the combined area of Alberta and Saskatchewan, and larger than the combined area of the first four provinces which entered confederation. I ask the hon. gentleman if it is reasonable or fair or just when 114,000,000 acres of land were added to the boundaries of Manitoba to say that in so far as that territory is concerned the people of that province should be restricted in their rights, while there were no restrictions with regard to the 115,000,000 acres added to the province of Ontario and the 328,000,000 acres added to the province of Quebec. Imagine what would have happened if some person in this house had got up at the time these acres were added to the province of Ontario and said, "You can only have this extension of territory if you people of Ontario will agree to submit to the kind of laws some people think you should have in regard to education." What would have happened? Could any person in this house visualize the facial contortions, the physical and hysterical antics of the hon. member for Labelle (Mr. Bourassa) and the outpouring of vituperative language which would have flown from his lips if anyone had attempted to place such restrictions upon the 328,000,000 acres added to the province of Quebec? Notwithstanding the generous treatment accorded his own province, he has the audacity to get up in this house and say to the people of Alberta, Saskatchewan and Manitoba, "Under the constitution it is true you are entitled to these resources, but I do not think you should have them, and you will not have them unless you agree to my dictatorial whims." How long do you think the people of the province of Alberta are going to submit to that sort of thing?

At the Quebec conference in 1864 the fathers of confederation agreed that the system of government best adapted to the needs of this country was a central government and a government for each province. The Hon. Edward Blake, speaking in this house in 1869, said:

> It is perfectly clear on great and obvious principles, that the basis of union settled by the British North America Act is not capable of alteration by this parliament.

What was the basis of union? Subject to the special provisions affecting Ontario and Quebec, and voluntarily agreed to by these provinces, the provinces were to have equality of status and right. That should appeal to the right hon. the Prime Minister if to anyone, and to the Minister of Justice. The provinces were to possess their natural resources and have complete control of their educational and other local affairs.

I charge that these conditions were violated in 1870, and have been violated many times since. As soon as the province of Manitoba was constituted, then the sovereignty of Manitoba in its public lands began and the federal trusteeship ended. The same is true with regard to the provinces of Alberta and Saskatchewan. The Dominion was only a trustee for this territory because the federal government is a landless entity, as is explained and set forth very clearly in section 117 of the British North America Act. Every foot of land, with the exception of Indian reservations, and such lands as may be required for fortifications and purposes of defence, is in the right of the province in which the land is situated.

Section 2 of the British North America Act of 1871 authorizes the Dominion parliament to delimit the boundaries of new provinces,

provide them with legislatures to make laws and free to exercise those law-making functions within their legislative competence, untrammelled by vexatious and unwarranted federal restrictions. There has never been any power in the constitution which enables this parliament to create a new kind of province inferior in status and rights to those which originally entered confederation. In planning for a federal union "whose dominion would extend from sea to sea," that was never contemplated. Will any person argue that the fathers of confederation intended a certain kind of province from the Atlantic ocean to the eastern boundary of Manitoba, a different kind of province from there to the Rocky mountains, and then a province on the Pacific coast similar to those in the east? The thing is ridiculous on the face of it.

I would like to call attention to one or two sections of the British North America Act of 1867. Section 133 is as follows:

> Either the English or the French language may be used by any person in the debates of the houses of parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act and in or from all or any of the courts of Quebec. The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

As regards language rights and school rights, I repeat the words used by Sir Robert Borden in this house in 1905, and I say with all the emphasis of which I am capable: this is not a school issue; this is not a language issue; the issue in this matter is that of provincial rights, of local, provincial self-government, of provincial home rule. But on the section which I have quoted may I quote the words uttered by the late Sir Wilfrid Laurier in this house in 1905:

> The fathers of confederation did not pretend to authorize the French language in any part of the Dominion except in this parliament and the province of Quebec. Everywhere else the people were left free to deal with the matter as they saw fit.

As reported in Hansard of 1905, page 1448, the late Sir Wilfrid Laurier said:

> Then on the subject of education the legislatures of New Brunswick and Nova Scotia can do as they please. But when we come to Ontario and Quebec, we find that the powers of these two provinces are limited as regards education.

Then as reported on page 1451 he said:

> But I shall be told that this exception applies only to Ontario and Quebec and not to the other provinces. Sir, that is true.

I do not want any misapprehension as to where I stand in regard to these matters, and I hope that hon. gentlemen in discussing the question will discuss it as fairly as I think I have and not subject me to misrepresentation. I want to make my position perfectly clear. I do not believe in separate schools, but there are just as good men as I am, and probably better, who do believe in them, and they are just as much entitled to their opinion as I am to mine. But what I want to impress upon the house is that if any hon. member had risen when those autonomy bills were going through and declared that Alberta and Saskatchewan should receive their natural resources only on condition that they should not establish separate schools, I would have been one of the first to oppose any such move, not because I personally believe in separate schools, but because I do not believe it is any of my business to interfere in the educational laws of Alberta, Saskatchewan or any other province. Holding that opinion with regard to my duty I resent and I feel I have a right to resent the hon. member for Labelle (Mr. Bourassa) dictating to this government, as he did, in regard to the conditions under which the western provinces should receive their resources. I say: Trust the people of those provinces. As was mentioned by the hon. member for Camrose (Mr. Lucas), they have got along very well for over twenty years. Surely the people living out in the west know better what kind of laws they should have in that rapidly filling country than we, sitting in this house at Ottawa. I say that the only safe course to take is to trust the people of the west and allow them to settle these matters for themselves as they see fit.

If time would permit I should like to quote, in support of the position that I take in this matter, some of the greatest men who ever lived in Canada. I have already quoted Edward Blake and his opinion is worth while. Let me quote just a word from the Hon. George Brown, a very distinguished Liberal. He said:

> Nothing is more clear than that each province should have absolute control over education.

I quote just a few words from the Hon. David Mills, for time will not permit me to go into these quotations extensively. Speaking in the house he said:

> When the people of the Territories are sufficiently numerous to constitute a province, when in fact they attain their majority in regard to local matters and when they propose to set up for themselves, this parliament has no right to exercise control over them, no right to exercise any authority; it can give good advice but it has no right to give commands.

I quote another very distinguished Liberal, Sir Louis Davies, along the same lines. His words are practically the same. He said:

I have no hesitation in expressing respectfully that the people of those new provinces should have the right to determine what system of education they shall have.

I quote another authority, a man who, I believe, is generally regarded in the Dominion of Canada as one of the best authorities on constitutional history that Canada has ever produced. I refer to Sir Robert Borden. These are the words used by him on the 22nd of March, 1905:

Analyze the British North America Act so far as analysis is necessary for the purpose of considering this question, and what do you find? . . . . You find the establishment of a federal parliament and a federal executive; in the next place you find the establishment of provincial legislatures and provincial executives; in the next place you find the distribution of executive power between the federal executive and the provincial executive, and lastly you find the distribution of legislative power between the Dominion parliament and the provincial legislatures. I submit, Sir, that the basis established by this distribution of legislative and executive power cannot be altered either under section 146 of the British North America Act or under section 2 of the British North America Act of 1871.

In establishing a new province can this parliament wholly or partially alter the basis of confederation; can it change the distribution of legislative power? That I submit can only be done by the imperial parliament. Surely it cannot be contended that in giving to a new province the constitutional rights conferred by the British North America Act, we can reverse the scheme framed by the fathers of confederation and embodied in an imperial statute. . . . In creating a new province under the British North America Act can this parliament so amend section 92 as to transfer to federal jurisdiction nine-tenths of the powers which by express terms of that section are to be exercised exclusively by the provinces? Can this parliament transfer to such a province any of the powers which under the provisions of section 91 come within the exclusive jurisdiction of the federal parliament? If we can transfer any, why not all and thus completely transpose and reverse the entire scheme and compact of confederation? I submit that we have no duty, nay, we have no right or power to shatter the foundations then laid or to rewrite the compact into which we then entered.

That is the ground which I take. As I have a minute or two more I might refer to the attitude of the Winnipeg Free Press and the Edmonton Journal. The Winnipeg Free Press on May 13, 1926, said:

Dominion government says the amendment—

That is the amendment dictated by the hon. member for Labelle.

—adds nothing not already in Alberta Act of 1905. Then why put it in? If it limits in any measure the constitutional rights of the province to control its educational policies it is improper. It is undesirable that the government should seek to tie strings to the natural resources before turning them over.

The Edmonton Journal on May 25, 1926, takes exactly the same position.

If I would add anything to what I have already said, I might very pertinently refer to the remarks of the Prime Minister and his Minister of Justice (Mr. Lapointe) in regard to equality of status. Mr. Speaker, if equality of status is a good and proper thing amongst the units comprising the British Empire, surely it is an equally good thing for the units comprising the Dominion of Canada. When the Prime Minister and his Minister of Justice came back from overseas they said that they had brought a great boon to this country in that they had obtained recognition of the fact that no unit of the British Empire was inferior to any other. In that case I would say: Let them apply the same principle to the provinces.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, we have heard a good deal from the member for Frontenac-Addington (Mr. Edwards) with respect to the history of the act of Confederation, and in a somewhat meagre way with respect to its application to the present resolution moved by himself. I for one have no particular quarrel with this resolution, but I do think that a few facts might as well be stated which will throw some light, if light be needed, upon this question.

May I say to my hon. friend that it always takes two to make a bargain? The federal government of itself cannot make a bargain with the provincial governments with respect to any matter, and particularly with respect to the transfer of the natural resources. I shall not go further back into history than 1912, because if I were to refer to an earlier period it might be said by some hon. gentlemen that they had always been in favour of the western provinces receiving their natural resources, even back to the time when autonomy was granted to the two prairie provinces. We all know the history of the difficulties in the settlement of the Manitoba question, how it stirred the passions of men both in this house and outside of it; and if one were to express a hope I think it might well be that all such passions, if at all possible, be eliminated from any discussion of this matter. It might well be said, too, that most of us who are vitally interested in this matter are perfectly content to go on as we were. We have had some experience with the act of 1905—I am speaking now purely

and simply of educational matters—and in the province from which I come we have had no difficulty, none whatever. I had the honour for some years to have something to do with the administration of affairs in the province of Alberta, and never, except on one or two occasions, and then only on very trivial matters, did any question ever arise. So I think I am safe in making the assertion that the citizens of that province are perfectly content.

In 1912 I was a member of the government of the province of Alberta, and at that time the premiers of the three prairie provinces decided that they should make a request of the federal government for the return of the natural resources, or, to be more specific, for the return of the unalienated resources and a continuance of the subsidy in its entirety. That condition prevailed until about 1920, and every time that request was made it was resisted by the federal government. I am not going into details as to why we were refused consideration in that matter. We were told that we might have the resources, but we must forego the subsidy; and therefore no settlement was made.

At a later period, without going into too much detail, it was decided that each province should make representations on its own behalf, and from that moment forward, so far as this government and the three prairie provinces are concerned, that has been the method pursued.

In 1926 we were successful in coming to an agreement, a copy of which I hold in my hand, with the province of Alberta. That agreement, which was reached only after a great deal of negotiation and consultation, has been submitted to the house, so I shall not go into its details. I had the honour on that occasion to submit that agreement as well as to sign it on behalf of the federal government. It provided for the return of the natural resources, with some reservations with respect to parks, forest reserves, and other matters that were felt to be important and which were embodied in the agreement itself.

My hon. friend laid a great deal of stress upon the fact, as he says, that one member of this house was responsible for an amendment that was proposed to that agreement, which, he has rightly stated, was submitted to the Prime Minister of the province of Alberta and was accepted by both parties. After its acceptance the amendment was submitted as an amendment to the agreement which had been previously presented to the house. My hon. friend takes strong exception to that, and states that in his opinion and in the opinion of some of his friends that was an infringement upon provincial rights. He has, however, been fair in his statement. That agreement and the suggested amendment was made, so far at least as we were concerned, without any interference with provincial rights. That was the assurance I had. I am not a lawyer, but undoubtedly there are members in this house of the legal profession who might argue about that. I have discovered, and I think my hon. friend will agree, that lawyers will find occasion to argue about a great many things. The gentleman who was in control and who is now in control in the government of Alberta is himself a lawyer, and he had his legal advisers examine that document. He was satisfied with it until a discussion arose in the house and certain objections were taken to it on the ground that it might in some way affect provincial rights. May I say this to my hon. friend? I had this assurance at the time, and I think I am safe in saying that I still get the same advice, that there was no intention in the world to interfere to the extent of one iota, by that suggested amendment, with any provincial right. As one who is intensely interested in seeing the western provinces, and Alberta particularly, receive their natural resources, may I say that I personally was willing to accept any agreement so long as it did not take away from the province any of the rights which it possessed under the act of autonomy or under the act of Confederation. So long as we were getting the transfer of our resources, and getting the offer, as we did then, of a continuance of the subsidy for three years, I felt, as one of the citizens of the province, that I could recommend and heartily support an agreement of that kind. But as my hon. friend has pointed out, the matter was viewed otherwise, and an amendment was made to the agreement during a discussion in the legislature of Alberta. Naturally this began to arouse a conflict of opinion about the whole matter, and the Prime Minister, rightly I think, said that the matter should stand for further consideration.

So far as the people of Alberta are concerned, they have lost nothing by the delay. Rather they have gained by it, because, although my hon. friend did not mention it, he is well aware of the fact that they have an offer, and we are still in communication with the government of Alberta with respect to the matter, for a continuation of their subsidy, granting them $625,000 a year in perpetuity. So, from an economic standpoint, it is a very much better offer than they were getting under the agreement we are now discussing.

Mention was also made by the Prime Minister in the letter he sent to the Premier of Alberta—and with this I think my hon. friend from Frontenac-Addington will not quarrel—of the school lands and the school lands trust fund, which it was proposed should pass to the administration of the province.

Mr. EDWARDS (Frontenac): Would an amendment to the agreement have been introduced by the government had it not been for the statement made by the hon. member for Labelle (Mr. Bourassa) on January 29?

Mr. STEWART (Edmonton): So far as I am concerned, I cannot see that the hon. member for Labelle had any more to do with it than any other member of this house. Many hon. members perhaps had differences of opinion with respect to this matter. My hon. friend, I am sure, would not expect me to agree with the sentiments of the hon. member for Labelle upon every question. He had only such influence as any individual member possessed—no less and no more. I think that is the position we must all take, and at this stage of the proceedings at all events, when all of this is past history, and when we are endeavouring to make an agreement with the provinces for the transfer of their natural resources—somewhat different, I will admit, with each one, but with a common endeavour to reach a settlement—I do think a fairly large majority of the house will agree with the proposals made by the government to that end.

Now, Mr. Speaker, I submit that the criticism of my hon. friend and his reflections upon the physical appearance and mental equipment of the government are scarcely warranted. I would say to him or to any other hon. member who sometimes indulges in such facetious remarks, that to see an exhibition of real distress, terror and despair they should have been sitting over there during the three days that members of their party were sitting on the treasury benches. I venture to think that if a photograph had been taken on that occasion, never again would we have heard anything from the hon. member for Frontenac or any of his friends about a distressed administration. I sat to your left, Mr. Speaker, and watched the countenances of those hon. gentlemen, and it was an inspiring sight. On that occasion just such remarks as my hon. friend has made use of this afternoon were passing, and the members of that short-lived government did not receive them with a very good grace.

Mr. EDWARDS (Frontenac): I was not here.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): I am sorry my hon. friend was not, but he was a member of that party.

Mr. EDWARDS (Frontenac): Yes, and proud of it.

Mr. STEWART (Edmonton): Had he been here I am satisfied that he would have looked just as disturbed as any of those who occupied these benches on that occasion.

Personally, I am deeply interested in this matter, and I am hopeful that the government of the province of Alberta will see their way clear to accept the proposal made by the federal government, and that the transfer of the resources to that province will be begun almost immediately.

Mr. R. K. SMITH (Cumberland): Mr. Speaker, the latter part of this resolution brings up a matter of interest to Nova Scotia in respect to long standing claims relating to the partition of federal lands. I refer to the last three lines of the resolution:

—and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactory and equitable adjustment.

That brings up a pertinent question of long standing namely, that the federal government should make a settlement with Nova Scotia and New Brunswick on account of their proprietary interests in the lands owned by the four original provinces of confederation, namely, Quebec, Ontario, Nova Scotia and New Brunswick.

Mr. HEAPS: If my hon. friend will permit a question, will he explain how the maritime provinces have any proprietary right in the lands of the three prairie provinces?

Mr. SMITH (Cumberland): The provinces of Nova Scotia and New Brunswick, together with the provinces of Quebec and Ontario, owned all of Canada as it was at the time of confederation. That is, they were partnership owners, and the area occupied by them constituted about one-fourth or one-fifth of the territory known as the Dominion of Canada. The province of Manitoba was the first to be carved out of the territory acquired from the Hudson's Bay Company, and subsequently the provinces of Alberta and of Saskatchewan were brought into being from the territory remaining. We are claiming a proprietary interest in that land so acquired and into which these provinces were formed. We urge the government to give us some consideration, and we are pretty well backed up by the recommendations contained in the Duncan report.

Mr. HEAPS: If my hon. friend will permit another question? Why did not the maritime provinces put forward their claim at the time the Duncan commission was functioning?

Mr. SMITH (Cumberland): The maritime provinces have pressed their claims on several occasions. The province of Nova Scotia presented a brief to the Duncan commission urging consideration of the matter a copy of which I have on my desk.

Mr. HEAPS: Why did they not go right ahead before that commission and settle it?

Mr. SMITH (Cumberland): The only body that can settle this matter is this parliament, and that is why I am now addressing the house. Our claim is involved in the resolution submitted by the hon. member for Frontenac. Now, the claim of the maritime provinces is based on two major considerations. One is that the extra-provincial lands which came into the possession of the Dominion government were acquired by purchase, developed and given value almost exclusively at the expense of the four original parties to the confederation pact. The other is that this territory, comprising as it does four-fifths of the entire area of the Dominion and containing natural resources of incalculable value, is being steadily allotted to other provinces, thus enlarging their wealth and swelling their provincial revenues, while Nova Scotia, New Brunswick and Prince Edward Island, which have an undoubted proprietary interest in every acre of this domain, have received no part of it whatever and no financial consideration in respect to its partition.

This matter was brought up in 1912 when the Borden administration was in power on the question of extending the boundaries of Manitoba, and in Hansard of February 27, 1912, volume II, column 3896, will be found the following remarks by Sir Robert Borden:

> This question of extending the boundaries of Manitoba has been before parliament for a very long time and therefore it seemed to the government, whether rightly or wrongly, that the best course now was to put the province of Manitoba as nearly as might be in the position of the provinces of Alberta and Saskatchewan and then take up after due consideration, and upon proper inquiry, the question of restoring to all these three provinces their natural resources upon terms that would be just and reasonable. I would like to point out to my hon. friend (Mr. Oliver) that one of his own colleagues on that side of the house has raised an important question this afternoon, and has expressed views with which perhaps my hon. friend (Mr. Oliver) may not be inclined to concur; namely, that when this question does come to be considered, some regard will have to be given to the claims of some other provinces in Canada and especially the three maritime provinces, whose boundaries have not been increased, whose boundaries cannot very well be increased, on account of their natural situation. That is a matter that will have to be taken up in connection with the handing over of their natural resources to the three prairie provinces. I would like my hon. friends from the maritime provinces to understand that that is a matter which has not escaped the attention of the government.

So that no consideration has ever been given to the maritime provinces in connection with these western lands and although in his report Sir Andrew Rae Duncan did not feel that the commission was empowered to deal directly with this phase of the matter, he at least went this far:

> We do feel it right to say that it is a subject-matter upon which—proprietary right—consideration should be given to the maritime provinces.

I do not know, Mr. Speaker, that I need labour this particular point. We wish to make a protest on this occasion when the matter is up for discussion as it is pertinent to our claim. In conclusion I will merely state what the basis of the compensation is in our opinion, as stated by the Nova Scotia government in its brief to the Duncan commission:

> 1. A credit as against the Dominion government, equivalent on a per capita basis of caculation, to that extended to Manitoba, Saskatchewan and Alberta, on account of school lands.
>
> 2. A credit as against the Dominion government of such an amount as will fairly represent, on a per capita basis of calculation, Nova Scotia's proprietary interest in the public lands of Manitoba, Saskatchewan and Alberta, if and when the said lands are transferred to the government of these provinces.
>
> 3. A credit as against the Dominion government as compensation to this province for non-participation in the federal lands transferred to Quebec and Ontario, under the legislation of 1888, 1898, and 1912. When these credits have been arbitrated and established, the interest thereon should be paid annually to Nova Scotia, according to the methods followed with respect to the debt allowances to the several provinces at confederation.

Mr. JOHN EVANS (Rosetown): We are now dealing with a question which vitally affects the unity of the Dominion and which has been too long shelved by all governments concerned, provincial and Dominion alike. I had hoped for a definite pronouncement on this question by the Premier of Saskatchewan before the close of the session this year, but such has not been made. I was led to mention this by the fact that our own Prime Minister (Mr. Mackenzie King) last year promised that directly after the close of that session a conference would be held with the different provinces to settle this vexed question. This will be observed at page 3199 of Hansard of last year.

The western provinces now demand their proper status as sovereign entities of this Dominion, and that includes their right, and freedom in their own domain in the administration of their own internal affairs. These provinces must now receive their own without any restrictions, as the resolution calls for, in compliance with section 117 of the British North America Act, which reserves to the Dominion only such lands as are needed for the general welfare of Canada in the matter of fortification and defence. Surely nothing is of such vital moment to the peace and unity of any country as the equality of status which each constituent part thereof should enjoy; and this is true so far as the provinces in this Dominion are concerned as well as with respect to the different classes and individuals therein. The welfare of any nation certainly depends upon equality before the law. The British North America Act provided for this without any exception, and this act is always, I think, regarded by men of legal standing as the constitution of Canada. It is time now that the Dominion government—whom I regard as having been the offender in this respect in the last sixty years—restored to every part of Canada its freedom under that constitution. The Dominion government in 1872 shot through and through the British North America Act when it enacted what is known to-day as the Dominion Lands Act. A constitutional question was raised in 1926, when parliament broke up practically in disorder, and each party accused the other of attempts to frustrate the constitution; but they overlooked the fact that in times past they had both violated the constitution which they were then accusing each other of breaking. Surely if the constitution is of such vital moment in one case it ought to be in the other.

The Dominion of Canada was created in 1867 from the federation of the old colonies of Upper and Lower Canada and Nova Scotia and New Brunswick. It does seem to me that the claim that the maritime provinces have an inherent right in the public domain of western Canada to-day is most absurd. If they are entitled to any hinterland at all, the natural hinterland and extension, so far as these provinces are concerned, is to-day what is known as Ungava. When we come to think that the bargain or contract or charter of the Hudson's Bay Company included the right to trade on all streams running into Hudson bay, with their territories beginning as far east as Cape Chidley and going all the round, through Quebec and Ontario, surely the western provinces will not now be asked to bear the whole burden of the desires of other provinces as well as any financial burden, small as it must have been at the time, which was placed on this Dominion when Rupert's Land and the Northwest Territories came into the union. The whole plan of confederation was embodied in the British North America Act; the rights and powers of the federal body and the corresponding rights and powers of the provinces are found fairly and plainly stated therein. The Dominion of Canada was established under the British North America Act of 1867, and in this respect I wish to quote from Bram Thompson, who, I believe, is the greatest constitutional lawyer touching this question at any rate, in Canada to-day. I wish to read one paragraph from his writings. He states:

> Inevitably this scheme left no land for the united body or Dominion to own; and none was allotted to it except "the public works and property of each province," set out in section 108, namely, canals, harbours, lighthouses, piers, rivers, etc. Nor is there any provision in the act, or in any of its subsequent amendments, empowering the Dominion to own or acquire land or property except for fortifications or the defence of the country, under section 117. In saying this I am not ignoring the administrative control of the Dominion over Indian reserves. But that does not affect the provincial right of property in the land once a reserve ceases to be occupied by Indian people.
>
> With the exceptions stated, the title of all land in Canada is in the crown in right of the individual provinces under the British North America Act, 1867.

This would also apply to those portions which have been taken over by the Dominion government from the western provinces; not only the land but all minerals therein must belong to the provinces in which they are situated.

Section 116 of the British North America Act provided for expansion through the power given to admit into this confederation the provinces of Newfoundland, Prince Edward Island and British Columbia and further, on address from the houses of parliament of Canada, Rupert's Land and the Northwest Territories. So we see that under this section the admission into confederation of Rupert's Land and the Northwest Territories was first sought by an address to Her Majesty Queen Victoria presented by the two houses of parliament of Canada at their first sitting in

December, 1867. At that time these areas were almost unpeopled, and I quote again from Thompson:

. . . . the address postulated the immediate objects to be achieved by the premature admission thus:

1. The extension of the Dominion constituted under the British North America Act, 1867, westward to the Pacific ocean.
2. The colonization of the new country.
3. The extension of commercial intercourse from the Atlantic to the Pacific.
4. The establishment of a stable government; and of political institutions analogous to those existing in the then provinces of Canada.

A part of the address contained this overture or offer:

We (the parliament of Canada) most humbly beg to express to Your Majesty that we are willing to assume the duties and obligations of government and legislation as regards these territories.

It will be seen that throughout all this the Dominion government was itself a landless creation except for certain purposes for which it could acquire certain property for the general good of Canada, such as defence and fortification. On November 19, 1869, the surrender of the Hudson's Bay charter was made, and so Rupert's Land and the Northwest Territories became a part of the Dominion subject to the British North America Act, with the Dominion government assuming the duty of providing for peace, order and good government until such time as the increase of population would warrant this responsiblity being taken over by these new members of the confederation.

Instead of the Dominion government carrying out its trust and obligation according to its own offer and the conditions under which Rupert's Land and the Northwest Territories were handed over to the Canadian government by the British government, in 1872 an act was passed called the Dominion Lands Act, by which this parliament appropriated to the Dominion government the lands of the new members of the union, ousting them from their rightful position in the federal union which they attained through their admission under the imperial order in council of June 23, 1870. In order that this house may get a proper perspective of the action of the government at that time and acquire some conception of the seriousness of the situation, I again quote from Thompson:

The Land Act of 1872 was not only a violation of a trust, but an act of plunder. It was, moreover, a vicious and radical distortion or defiance of the British North America Act, 1867; and the parliament of Canada had absolutely no authority to enact it either under the British North America Act, 1867, or under the legislative powers, conferred by the Rupert's Land Act, 1868, and the imperial order of June 23, 1870. This, however, is the way in which the parliament of Canada carried out the design of "extending the Dominion as constituted under the British North America Act westward." By this twist of the constitution, the Dominion "as constituted" was not extended, but it was installed as the absolute owner and sovereign of half of the whole territorial area of Canada, in utter defiance of the most fundamental principle of the federal scheme.

Nothing more vile, defiant, and audacious was ever done even by rebel hordes.

There the situation stands, and in connection with this serious condition I blame all governments concerned, provincial and dominion alike, for having played with the rights of the people of these provinces for so many years. We have been given a bogus title to lands we have settled in western Canada; we have title only to the depth of a furrow, and nothing below the surface of the land belongs to those who have acquired ownership of the surface. I submit, sir, that if that land, with all it contains, rightfully belongs to anyone to-day, it belongs to the men and women who went out there, braved the hardships of pioneer life and made their homes on the prairie.

Not only have they been denied title to their possessions but it has been sought to impose restrictions on their liberty of action with regard to education and taxation, destroying their authority in these matters. Section 93 of the constitution absolutely establishes our right to make laws with resepct to education, with the exception that nothing enacted should prejudicially affect any right or privilege in respect to denominational schools in the province at the time of union. That stipulation was peculiarly pertinent to the old colonies. Alberta and Saskatchewan never entered the union as provinces; they were carved out of the area known as Rupert's Land and the Northwest Territories, which came into the union in 1870. Their rights in regard to the questions of education and taxation are determined by the British North America Act as of that date, and in 1870 no denominational rights existed as to schools in all that territory. Ever since that time the western provinces have been subject to party expediency, notwithstanding all that the Minister of the Interior has said; in 1926 the bargain was struck by both parties. It was initialled by both parties, and was awaiting ratification by both the government of Alberta and of the Dominion.

But the member for Labelle upset that agreement in perhaps the most impassioned speech I have ever heard made in this house regarding the right to separate schools for the French

Roman Catholic minority in Alberta. The government of Alberta deleted that part of the clause dealing with school lands which stated they were to be administered in accordance with sections 39 to 42 of the Dominion Lands Act, and inserted "in accordance with the laws of the province." I take it that that is why Alberta is not enjoying to-day the possession of her natural resources. From what I have seen in this house, the French Roman Catholics have always seemed to be very jealous regarding the rights of the minorities of those provinces to separate schools. The member for Labelle spoke of the trust they had to keep and the duty they owed the minorities in those provinces. This is something I have failed so far to understand. Neither this nor any other government in Canada has ever interfered with the language of any class of people or their right to use that language in the home, in the church or in the market place. I hope the day is not far distant when we shall be able to reach some kind of unity between the two races and where one will not be jealous of the rights of the other. I would like to ask: What is a minority as far as Canadian citizenship is concerned, and what is the meaning of a separate school system? I answer this question, and I do it without any bitterness, by saying that a separate school system means only the teaching of idealism and loyalty and patriotism to some power outside the state. I cannot interpret it in any other way. There is absolute freedom here in the teaching of religion to all classes, to all nationalities and races. Let us hope that in future, no matter to what race we belong or what language we prefer, we may work hand in hand for the general welfare and the building-up of what I hope will soon come to be known as a Canadian race.

I hope our Quebec friends will cease to dictate to this government any restrictions on the natural rights of these provinces, and trust to the people inhabiting the western provinces as the rest of Canada is trusting Quebec, for fair and honourable legislation.

I would like to touch upon the matter of the alienation of the property of these provinces. There has been given to the Canadian Pacific Railway for its main line in Saskatchewan an area of 6,216,278 acres, and an area of 3,648,546 acres for their branch lines, or a total of 9,864,824. There has been a total area in Saskatchewan of 15,086,456 acres alienated for all railway lines. I am quoting from the figures furnished by the Department of the Interior, in response to an order for return dated March 2, 1928, at the last session of parliament. Putting a value of $20 per acre upon this land we arrive at a sum of $301,729,120. From all provinces there has been alienated in one way or another an area equal to 203,599,000 acres. But this does not give an adequate idea of the injustice done to these provinces. The Canadian Pacific Railway was given their land free of taxation for twenty years, and the settlers had to shoulder this burden. Roads were needed to get their produce to the sidings, and schools were also needed for the children of the settlers. In the end the commencement of that twenty-year period had to be decided by the privy council. It seems to me that the worth of that land given to the Canadian Pacific Railway has been equal at all times to the total capital of the company. This exemption was an autocratic act of the Dominion government and has yet to be accounted for, as well as the alienation of the lands. The injustice heaped upon the western provinces has been a good deal more than what is represented by the alienation of their lands. Take the matter of freight rates along with the question of natural resources and you have a problem which is calculated possibly to sever the west from the rest of Canada unless justice is done immediately. I am not making this as a threat, but I say it in accordance with what has been taught us by history. "All parts and all subjects must stand equal before the law." The Dominion has ceased to be an entity and through the acts of the Dominion government respecting the ownership of these lands in western Canada the ideal of confederation has been vitiated. If we are to restore confederation to the idea the fathers of confederation had in their minds, I say again, Mr. Speaker, that no time must be lost in restoring justice to that part of the country.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, I rise to support the resolution proposed by the hon. member for Frontenac-Addington (Mr. Edwards). This is a subject of many years' standing and I believe it will be much to the satisfaction of all of us when the matter has been finally and satisfactorily disposed of. There are two sections in the resolution: first, the question of the restoration of their natural resources to the three prairie provinces; second, the question of claims which might arise at the same time as affecting other provinces of the Dominion. The question of the restoration of their natural resources to the three provinces of Manitoba, Saskatchewan and Alberta is, I believe, generally approved, and I have not met the man who says that they should not be restored.

The hon. member for Frontenac-Addington and the Minister of the Interior (Mr. Stewart) have both addressed themselves to the first portion of the resolution only, and therefore it is all the more necessary that something should be said in regard to that very small but very important little section at the end of the resolution regarding the claims of other provinces. The subject of the claims of other provinces has as ancient a history as that of the restoration of the natural resources. When one arose, the other arose, and therefore both questions should now be considered and dealt with pari passu. That is, when the resources are restored to the provinces, as I hope they will be, the question of the claims of the other provinces should be considered at the same time and dealt with.

What are those claims? That is a difficult subject to answer; men of high legal attainments will be required in order to determine the exact designation. Some may say it is a question of proprietary rights; others may say it is a claim for compensation. Whichever it is, is immaterial to me for the moment; the fact is that a claim is being made and the resolution does not say that it is a question of proprietary rights or a claim for compensation. The resolution asks that the claim, such as it is, be investigated at the time of dealing with the restoration of the natural resources, and I think that is a fair proposition.

We have heard a little of the history of the claims. The most notable statement was that of Sir Robert Borden when, as Prime Minister, he made, in 1912, the public declaration in parliament that this matter was not escaping the attention of the government. Is it too much to ask to-day that the Prime Minister, whom I am pleased to see in his seat, will venture some such remark as that, indicating how the government regard the second section of the resolution? Sir Robert Borden, so long ago as 1912, guarded himself, took care, as hon. members will see, when he rather elaborated that the matter had not escaped the attention of the government.

The next well-known pronouncement is, of course, in the Duncan report, where the commission carefully did not discuss or decide the question whether it was a matter of proprietary rights or compensation or what it might be. The statement made is that there is good ground for the maritime provinces receiving consideration on this point. Therefore I would urge that while the question of the restoration of the natural resources to the provinces is being dealt with, the claims of other provinces should be considered. I do not think it is too much to ask the Prime Minister to give us some indication how the government stands in the matter.

Mr. MACKENZIE KING: Would my hon. friend like me to reply to him at the moment? The correspondence will indicate that when the matter was first dealt with the position of the maritime provinces had been carefully considered by the government. The first letter was a communication dated February 20, 1922, addressed to the Premier of Saskatchewan, and it has this paragraph which is pertinent to what my hon. friend has just said:

> If, however, apart from the land subsidy question the eastern provinces feel that they have any claim, that claim would have to be considered on its merits and it should not be an obstacle to the settlement of matters between the Dominion and the prairie provinces.

The position of the government is the same to-day. If the maritime provinces feel that they have any claim, that claim should be considered on its merits.

Mr. MacLAREN: The view as put forward by the Prime Minister is not, as it happens, quite in accord with my own view. I do not think necessarily the subject of the restoration of lands should be considered on the one hand and the claims on the other. They should be considered concurrently; they are dealing with the same matter. While it is true, as the Prime Minister has pointed out, there is a reference to it, it is not quite the reference I should like to read or hear. The view I would wish to put forward is that when the question of the restoration of the natural resources to the western provinces is being considered—and mark you, there is no objection to it; there is approval of it—at the same time in the same act consideration should be given to the claims that are being put forward by other provinces. Why? In consequence of the restoration.

I should like to draw attention—and I think this is in order—to the commission that has recently been sitting and which has not yet completed its labours in reference to Manitoba. It is well that these matters of claims should be spoken of in view especially of what Mr. R. W. Craig, K.C., of Winnipeg is reported by the Canadian Press to have stated on the twelfth February. According to the Canadian Press he said:

> "The concession to Manitoba of the status in respect of its natural resources, always enjoyed by all the provinces of Canada, except the prairie provinces, has been denied in some

quarters," Mr. Craig said, "Upon the contention that Rupert's Land and Northwest Territories were 'purchased' from the Hudson's Bay Company and thus became the property of Canada, to be administered for the purposes of the Dominion."

The maritime provinces had advanced such a claim before the Duncan Royal Commission, Mr. Craig continued. This was based partly on the grounds of proprietary right and partly on grounds of equitable consideration. Manitoba, however, was bound to deny such rights, he said.

If he is correctly reported, this is very extraordinary reading. There is no inclination to deny the restoration of the natural resources, and all that is asked is that the claims, such as they may be, be investigated at the same time and dealt with in arriving at the restoration of their resources to the three provinces. It seems unfortunate that Mr. Craig should present such an extreme, exaggerated, and incorrect opinion to the commission which is now holding its sessions. There is the best of feeling in the matter of returning the natural resources; there is no inclination to deny the claims of the western provinces. Some say that as the original provinces purchased these lands they have proprietary rights. By others—and this is more general—it is argued that some of the provinces cannot expand, that they are restricted in their area. By virtue of the expansion of the other provinces, which have gained enormously in value and gained greatly in parliamentary representation, it is urged that these matters should receive consideration by compensation. I ask that the two, restoration and compensation, be coupled together. Do not allow the question of the natural resources to be finally disposed of, and then trust to time for all these other matters to be dealt with. That would be unfortunate. I would make this suggestion to the Prime Minister, that before this question of the return of the natural resources is finally dealt with, he call a conference of the premiers of the various provinces of this Dominion, and have their views put forward.

Mr. MACKENZIE KING: May I just say to my hon. friend, in reply to his last suggestion, that that is precisely what took place during the year 1927. We then had a conference of the premiers of the provinces with the members of the government, and it is as a result of that conference that the Dominion has felt it might proceed to deal more liberally with the western provinces than it formerly was prepared to do.

Mr. MacLAREN: Yes, but was it not at the same time suggested that an opportunity should be given to certain of the provinces to put forward their claims for compensation?

Mr. MACKENZIE KING: No one is denying that opportunity.

Mr. MacLAREN: But so far only the western provinces are being dealt with. Why not the other provinces?

Mr. MACKENZIE KING: My hon. friend said a moment ago that he was not in a position to present their claims.

Mr. MacLAREN: I am sorry the Prime Minister misunderstood me. I said that I would not for a moment attempt to speak for the provinces and put forward their claims; I am not entitled to. But I do say this: whether it is a proprietary interest or a claim for compensation is immaterial for my purpose. The fact remains that there is a claim, and I ask an opportunity for that claim to be presented. It is true that these claims were referred to in the conference of two years ago, but the matter has never come up to be dealt with as the claims of the western provinces are now coming up. I believe that the Prime Minister would cause great contentment, and be only dealing fairly and doing justice, if he would call another conference to deal specifically with the claims of the maritime provinces.

Mr. A. E. MacLEAN (Prince): I do not very often find myself in accord with hon. members on the other side, but upon this occasion I do find myself in hearty accord with the hon. member for Cumberland (Mr. Smith) and with the hon. member for St. John-Albert (Mr. MacLaren) in the views they have presented in connection with this matter. I do not know whether this is the proper occasion, upon this resolution, to discuss the claims of the maritime provinces. I may say at once that at the present moment I am not prepared to discuss them as fully as I should like to do upon a later occasion. However, as the debate has developed into a rather broad one, and the question of the claims of the maritime provinces has come up, I feel that it is only proper that I should make a few observations upon that question at this time.

I want to take this opportunity of thanking the present government very heartily, and past governments too, for that matter, for the splendid manner in which they have treated some of our claims. A former government helped us out greatly in our transportation service between the province of Prince Edward island and the mainland, and the present government is now further implementing that services, with the result that we hope to have

a very much improved service in the future over what we have had in the past, by the magnificent vote in the estimates tabled today for which we are indeed grateful.

The question of subsidies was dealt with by the Duncan commission, but not in a permanent way. They recommended that interim subsidies be granted to the three maritime provinces until such time as the matter was thoroughly looked into and a final adjustment made. I think that is practically what my hon. friend from St. John-Albert and my hon. friend from Cumberland have been asking, that before any final arrangement regarding subsidies is made, the matter be looked into further with a view to seeing whether the subsidies granted are adequate under present conditions. The government has dealt very fairly with us not only in connection with subsidies, but also in the matter of freight rates, and taking everything into consideration, I believe they have made an honest effort to carry out the recommendations of the Duncan report. But apart from that, the maritime provinces feel that they have an interest in this question of the return of the natural resources to the western provinces; indeed, they have always felt that they have a right in connection with that matter which should be brought forward at the time when the natural resources are being returned to the western provinces. We have no objection to the return of the natural resources to the three western provinces. Personally I think those resources should be returned at as early a date as is possible, but if they are worth as much to the provinces as we are led to believe they are, I would almost think that the western provinces would be able to forego a large part of the subsidies that they are receiving at the present time. However, I understand that under the present arrangement the natural resources are to be turned over to the western provinces, and that they are still to retain the subsidies they are now receiving. We have been assured that Alberta will continue to receive for all time to come the subsidy which she is now receiving. We have no objection to that. But there are a few things in connection with the province of Prince Edward Island that I wish to point out.

The province of Prince Edward Island is possibly in a class by itself, having no natural resources and no crown lands, and we are greatly handicapped, by conditions over which we have no control, in carrying on the government of the province. I do not wish to weary the house by reciting the conditions upon which we entered confederation, because I know that the government is in possession of all the facts, and that at a conference of the premiers of the three provinces representations and briefs were submitted to the government from the three provinces setting forth all the facts in connection with that matter. At the time it entered confederation, the people of the province of Prince Edward Island had just about completed their railway, which cost them around $3,250,000. That railway was taken over by the federal government. Its cost was deducted from our debt allowance, and on that amount we have lost five per cent per annum ever since. I do not say that the railway was an asset to the Dominion, I am not stressing that point of view, but I do say that if British Columbia is to be returned its railway lands, then there is no reason in the world why our claim of three million dollars should not be entertained.

Now let me deal with another phase of the question—debt allowance on the basis of population. When Prince Edward Island entered confederation our debt allowance was based on our actual population of 94,000 as shown by the census of 1871. When the western provinces came in their debt allowance was based on an estimated population of possibly twice the number that they had at that time. So in that connection alone they received a great deal in excess of what they were actually entitled to.

Mr. EVANS: I think the hon. gentleman is very much misinformed on that point. There was a graduated scale according to population.

Mr. MacLEAN (Prince): I wish to tell my hon. friend that the debt allowance was fixed on an assumed population in the future. Let me give the different subsidies that were arranged at that time: Nova Scotia $52,000; New Brunswick, $26,000; Prince Edward Island, $38,000; Manitoba, $381,000; Alberta, $405,000; and Saskatchewan, $405,000 also. It is apparent that the three western provinces did not at that time have a population to warrant those subsidies.

Mr. EVANS: Does my hon. friend know what the population was at that time?

Mr. MacLEAN (Prince): I cannot give exact figures, but I know the premiers at the provincial conference, when this matter was thoroughly looked into, agreed that we had a very strong claim in this respect, and the premiers of the western provinces admitted that their debt allowance was based on an assumed population.

Mr. EVANS: No.

Mr. MacLEAN (Prince): I am rather surprised at the attitude taken by our friends from the west. If the maritime provinces are given a square deal in this matter it will not detract from the value of the natural resources of the western provinces. We do not wish to diminish either their natural resources or their subsidies, we want them to get all they possibly can, but we do ask in all fairness to the older provinces—they are suffering now and scarcely able to bear their financial burdens—that they be given the same consideration as the western provinces are entitled to.

Mr. SPENCER: Does the hon. gentleman wish the return to the western provinces of their natural resources to remain in abeyance until the maritimes are satisfied?

Mr. MacLEAN (Prince): Not necessarily, if we have the assurance of the government that the subsidies of all the nine provinces will be examined and adjusted. If this is done as suggested by the Duncan report, that is all we are asking for. As I say, the government have dealt fairly with us up to the present time, and we are willing to trust them for the future, but I think it is only right that we should put forward our claims at this time while this subject is under discussion.

It has often been said that Prince Edward Island is depending entirely on the Dominion subsidies. The Duncan report states that this is not so, and that we pay three per cent, while the average for the whole Dominion is 2.5 per cent.

Mr. HEAPS: Three per cent on what?

Mr. MacLEAN (Prince): The Duncan report, on the basis of "unit of production" was referring to the average rate of taxation for provincial purposes throughout the whole Dominion. Now, taking the three maritimes, our average is three per cent, while that of the whole Dominion is 2.5. In the brief prepared by the premier of the province for submission to the Duncan commission those facts are set out. When we entered confederation our customs revenue of $304,377 was handed over to the Dominion. This one item alone was sufficient to carry on the provincial government at that time, and the province had practically no debt. Since confederation our expenditures have increased to a greater extent than our subsidies. In 1873 our expenditures amounted to $237,686; by 1926 they had mounted to $871,354. In 1873 we received in subsidies $191,052, as against $372,181 in 1926. In 1926 our expenditures was $871,354; we received by way of subsidy $372,181, and we raised by direct taxation $500,000 in round figures. I think that successfully contradicts the statement that the province of Prince Edward Island has been living off the subsidies received from the Dominion government.

This matter may be further discussed when the bill for the transfer of the natural resources of the western provinces is before the house, but at this time I do want to say that Prince Edward Island cannot really carry on much longer with her present revenues. We have not one mile of permanent road in the whole province. Every yard of gravel, every yard of stone must be imported, and the cost is almost prohibitive. Ordinary gravel costs $3.75 a ton laid down on our roads. The provincial government is asked for large expenditures in connection with health—for instance, a sanitarium for the treatment of tuberculosis is urgently needed; then the teachers are asking for increased salaries, and there are other demands upon the provincial treasury. It will be seen that it is simply impossible for the provincial government to meet those requisitions out of their present revenue. We may be told to resort to direct taxation. But the very fact that we have already resorted to direct taxation to the tune of $500,000 is one of the reasons why our people have been forced away from the island.

I respectfully submit to the government that this matter of an increased subsidy to the three maritime provinces be looked into very carefully. We are grateful for what they have already done for us, and we sincerely trust that they will deal fairly with us in the future as they have done in the past.

Mr. THOMAS CANTLEY (Pictou): As a representative from Nova Scotia I wish to join with the hon. member for St. John-Albert (Mr. MacLaren) and the hon. member for Cumberland (Mr. Smith) in what has been said in regard to this question. I desire to record my emphatic protest with respect to the way in which this matter has been treated in the past and the treatment which apparently it is going to receive in the future. The claims of Nova Scotia for consideration have been ignored.

Some three years ago, speaking on this question, I made the assertion that the province of Nova Scotia, as one of the four original partners in confederation, had paid its share of the cost of acquiring the Hudson bay lands or, in other words, the Prince Rupert country. The position I took at that time was challenged by some members in the house, including the hon. member for Lisgar (Mr. Brown). I then held that the province in question, as one of the original partners

in confederation, had paid its share of the sum of three hundred thousand pounds paid by two drafts made on our London bankers at that time. We evidently had a considerable amount of money at our credit in London, and Lord Lisgar, who was then Governor General, issued two warrants, one on the firm of Glenn, Mills & Company and the other on Baring Brothers, our other banking friends of that day, for the amount to be paid to the Hudson's Bay Company. That sum of three hundred thousand pounds was divided in two amounts and drafts were so issued—I had copies of them in my hand at the time I referred to the matter in 1926. The hon. member for Lisgar later stated that these two sums were included in a loan to which he referred and which he said was paid off in 1904. That loan was paid off, however, not as the hon. member had stated but by the operation of the sinking fund attached to the loan. This loan to which the hon. member refers as having been paid off in 1904 did not include the sum I have mentioned as having been paid to the Hudson's Bay Company; but was made up of various odds and ends voted by the house at different dates prior to that time, and was made four years after the acquisition of the Hudson bay lands; those lands were acquired in 1870 and the loan was made four years later.

I fancy the vote which misled my hon. friend from Lisgar was the one which I am about to quote. I quote from Hansard of April 12, 1926, page 2327, setting out the vote in question:

> For opening communication with, establishing government in, and providing for settlement of such territories, including expedition to Red River. (This vote to be in lieu of that for same amount granted on credit of guaranteed loan by Act 32, Vic. c. 1 and hereby cancelled, and to cover the amounts already expended; and the unexpended balance on 30th June to be applicable to service of 1870-71) $1,460,000.

That is an entirely different vote, made up of half a dozen different items here referred to, and there is absolutely no connection between it and the payment for the Prince Rupert land.

I have listened with a good deal of interest to what has been said by other hon. gentlemen. I have not the slightest objection, nor has anyone I know of in the maritime provinces, to the western provinces obtaining their natural resources at this time. All we claim is what has already been claimed by the hon. member for St. John-Albert: That before the question is settled the fact should be admitted that the maritime provinces have a proprietary or other valid interest in those lands and should receive some consideration therefor. I will admit quite frankly that British Columbia and Prince Edward Island have also a proprietary interest, but on totally different grounds. We have a claim, in Nova Scotia and New Brunswick, which the two provinces to which I now refer have not, inasmuch as we, ourselves, paid the money to acquire the lands in question. The other two provinces which came in later are in a different category. We had a prior interest in those lands from which enormous blocks were alienated from the lands of the Dominion and, to some extent, we and the other eastern provinces are the poorer by reason of that fact. We should, therefore, receive some compensation.

The other point referred to by the hon. member for St. John-Albert has reference to the enormous growth of these territories and the effect this has had and to even a greater extent in the future will have upon our representation in parliament. But there is also this fact to be noted—that the growth of the western country has to a large extent depopulated the eastern provinces where thousands of our brightest young men have gone during the past forty years. That has been to the advantage of the west and we do not begrudge it to them. But it has been at the same time to our disadvantage, and it is a disadvantage which we are not overcoming and indeed cannot overcome. All we ask, but what we now demand, is that we should receive a fair recompense for our interest and expenditures in connection with those lands which are now so valuable and which will prove exceedingly more valuable as time goes on.

Mr. J. L. BROWN (Lisgar): I had not intended taking part in the debate, but I feel I must say something after what has been said by the hon. member for Pictou (Mr. Cantley). First, however, let me congratulate the hon. member for Frontenac-Addington (Mr. Edwards) upon the moderate tone in which he moved the resolution, and the very sound principles which underlay his argument in behalf of provincial rights. I regret, myself, that the last clause of the resolution has been attached to it, because it seems that on that point there will be difference of opinion in the house. I regret that the hon. member himself did not discuss that phase of the resolution; I am quite satisfied that, had he discussed it, in order to be consistent with the very sound principles on which his argu-

ment was based he would have had to oppose any idea of proprietary rights on the part of the eastern provinces in the western provinces.

The hon. member for Pictou has seen fit again to emphasize the point he brought up during the session of 1926 and to which I made answer on that occasion. I have not at hand at the moment the facts and figures I then placed before the house. I believe, however, that the argument I then made was sound, and I think it is still sound, namely, that nothing in the nature of a sale can be contemplated. We cannot admit for a moment that the eastern provinces have any proprietary right whatever in the natural resources of western Canada. I do not understand how exception can be taken to the statement of the Prime Minister that each case must be dealt with on its merits; do hon. gentlemen opposite dispute the soundness of the principle of dealing with each case on its merits as it arises? They may say, "We have no objection to the western provinces receiving their resources" but consciously or otherwise they tie a string to it and say that at the same time the claims of the maritime provinces must be investigated. I think we in this house from western Canada have shown sympathy with the claims of the maritime provinces; when we agreed to accept the Duncan report we did so feeling that we were making very large concessions, but if there are any other reasonable claims to be advanced we are quite willing to consider them. This, however, is a question of principle, and the principle underlying these matters as far as the British Empire is concerned is that when a new territory is established and given the powers of self government, along with those powers shall go the natural resources. While it may not affect the situation in the future whether or not these two matters are considered together, there are such things as principles and when we assert that the claims of the western provinces to their natural resources must be considered by themselves we are asserting only the principle which always has been held throughout the British Empire in regard to these matters, that when self government is set up, along with it shall go the natural resources.

I regret that these two matters have been tied together in the one resolution; I would like to move an amendment eliminating the latter part of the resolution. I do not know that I propose to do so at present, but in answer to the hon. member for Pictou (Mr. Cantley), who referred to the controversy in regard to this matter two or three years ago, I wish to assert once more that the transaction made at that time by which the rights of the Hudson's Bay Company were extinguished did not in any way give the eastern provinces proprietary rights in western natural resources.

Mr. FINLAY MacDONALD (Cape Breton South): Mr. Speaker, I think possibly we should be grateful to the hon. member for Lisgar (Mr. Brown) for one thing at least; he has told us distinctly his position with regard to this matter. We recognize the fact that he and the other western members did sympathize with us in our efforts to have the Duncan report implemented in this house; we appreciate what the western members did for us then, and we feel sure that when these hon. members understand clearly the contentions of the martime provinces with regard to these western lands we will have their assistance again.

The hon. member who has just taken his seat suggests that the last part of the resolution should be eliminated, but we from the maritime provinces feel that the last section is equal in importance to any other part of the resolution. We think further that no agreement should be made with the western provinces for the return of their natural resources until the claims of the maritime provinces, if they have any claims, have been adjusted. These claims always have been asserted by the members of this house from the maritime provinces whenever opportunity offered; without consideration for party the members of this house from the maritime provinces have supported the rights of those provinces.

Mr. DUNNING: What rights? Do you mean proprietary rights?

Mr. MacDONALD (Cape Breton South): I am not talking about proprietary rights now. I do not know that I could contend that legally whatever claims we have could be classed as proprietary rights; legally we might have considerable difficulty in proving that we have any such rights. If we have any rights at all we must class them as the rights of beneficiaries; if our rights exist at all they are based on the ground that the Dominion government held these lands as a trustee for all the different parts of the Dominion; if you can class those as proprietary rights you should do so, but I have grave doubts as to whether that could be done legally. Some of my friends about me suggest that we may have partnership rights.

Mr. DUNNING: That is a new one.

Mr. MacDONALD (Cape Breton South): I am not advancing that contention; I do not want to be placed in a wrong position. When we consider the position of the various parties at that time we find five different entities, the four provinces and the federal government. The federal government took over these lands, and we contend that they did so as trustees for the different provinces. That is our contention; I hardly think you can call ours partnership rights and I doubt if they could be classed as proprietary rights, but I do claim that they come under the classification of equity and fair play. However, I will come to that question a little later.

In 1912, in this house, Hon. William Pugsley asserted the rights of the maritime provinces in replying to the then Minister of Finance, Mr. White, and at page 3856 of Hansard for that year I find the following:

> He has forgotten that there are other provinces, besides the three provinces named, in Canada, and when we come to consider as to what should be a readjustment of the terms with respect to one province, we have to look to the question as to what is just and fair to all the other provinces of Canada, which as I have said constitute the family of provinces composing confederation.

The house will understand that at that time they were not discussing the transfer of natural resources, but were considering the extension of the boundaries of Manitoba. A little further on in the debate the Hon. Mr. White said:

> My hon. friend said that no province is entitled to an acre of land without the consent of all the other provinces.

And the debate continues:

> Mr. Pugsley: To an acre of Dominion land.
> Mr. White: And he was speaking of the extension of the boundaries at the time and I am not sure whether he meant the transfer of lands to the provinces or the extension of their boundaries. I understood him to mean that the extension of boundaries could not take place without—
> Mr. Pugsley: What I said was that the Dominion lands belonged to the whole Dominion.
> Mr. White: Which Dominion lands?
> Mr. Pugsley: Wherever they are in the territory. The lands north of British Columbia belong to the Dominion, the lands north of Ontario belong to the Dominion, and the lands north of Quebec belong to the Dominion and the lands in the prairie west all belong to the Dominion.
> Mr. White: Do I understand my hon. friend to object to the transfer to Quebec of the added territory which is proposed, or was he referring to Manitoba?
> Mr. Pugsley: Yes, and Ontario too without treating the other provinces fairly and justly.

The following appears in the same debate at page 3870, where Mr. Turriff interjects the following:

Is it the intention of the government of which the Hon. Minister of Finance is a member to hand over the lands to the provinces, as was promised by the right hon. leader of the government in the last campaign? If it is, it seems to me that this would be a good time to start doing that instead of giving an increased subsidy.

The Hon. Mr. White replied to that by saying that the matter could be referred to the courts, and at page 3895 the Right Hon. Mr. Borden replied as follows:

> I would say one word in answer to my hon. friend from Edmonton (Mr. Oliver) with regard to the restoration of their lands to the prairie provinces. I understand perfectly the promise I made in that regard and I want to assure my hon. friend that that promise will be carried out.

He then continued with the reference quoted by the hon. member for Cumberland (Mr. Smith), as follows:

> I would like to point out to my hon. friend (Mr. Oliver) that one of his own colleagues on that side of the house has raised an important question this afternoon, and has expressed views with which perhaps my hon. friend (Mr. Oliver) may not be inclined to concur; namely, that when this question does come to be considered, some regard will have to be given to the claims of some other provinces in Canada and especially the three maritime provinces whose boundaries have not been increased, whose boundaries cannot very well be increased on account of their natural situation. That is a matter that will have to be taken up in connection with the handing over of their natural resources to the three prairie provinces. I would like my hon. friends from the maritime provinces to understand that that is a matter which has not escaped the attention of the government.

We ask at this stage that this matter will not escape the attention of the government. I am not a prophet and do not pretend to be one, but I believe if these lands are handed over to the prairie provinces that the maritime provinces will never receive any consideration nor will their needs ever be taken care of.

Mr. CAMPBELL: I would like to ask the hon. member if he considers the claims of the maritime provinces as being against the natural resources or against the federal government.

Mr. MacDONALD (Cape Breton South): Undoubtedly it is a claim on those resources. My argument is directed entirely to the view that the federal government is a trustee for all provinces in these lands. If you look at it in that way you will understand just what my argument amounts to.

Mr. CAMPBELL: Large areas were added to the provinces of Ontario and Quebec. Why did not the maritimes make a claim at that time?

Mr. MacDONALD (Cape Breton South): They did, and their claim is just as strong with regard to Ontario and Quebec as it is with regard to the other provinces.

Mr. CAMPBELL: That bears out my contention that their claim is not against the resources but against the federal government, and that therefore it has no bearing on the question of whether these resources should be turned over.

Mr. MacDONALD (Cape Breton South): It puts us in this position: If our claims were not recognized when these lands were handed over to Ontario and Quebec, there is all the more reason to believe they will not be recognized when we hand the natural resources over to the three prairie provinces. If we have any claim at all it must be recognized now.

Have we got any claim? At that time Ontario got some 93,000,000 acres, and Quebec some 332,000,000 acres. I put a question on the order paper on March 29, 1926, which, with the answer received, is as follows:

1. How many acres of land will be conveyed to the province of Alberta under the agreement dated January 9, 1926?
2. The approximate value of such lands?
3. How many acres are included in school lands referred to in said agreement and approximate value of same?
4. What is the amount of the school land fund to be transferred to the province under the said agreement?
5. What amount has been paid by the federal government to the said province to date on account of school lands?
6. How many acres have been added to each of the provinces of Quebec and Ontario since confederation?

Hon. Mr. Stewart:

1. Approximately 98,758,000 acres.
2. Impossible to give approximate value as most of this area is in unsurveyed territory.
3. Approximately 6,993,578 acres in surveyed and unsurveyed territory; impossible to give an approximate value.
4. Amount of principal moneys at credit Alberta school lands fund, March 1, 1926, $7,388,779.04.
5. Amount paid to September 30, 1925, $6,543,194.73.
6. Quebec 332,436,480 acres; Ontario 93,696,000 acres.

Our contention is that Nova Scotia has the same legal and moral right to every acre of that land transferred to Ontario and Quebec as has Saskatchewan and the other western provinces. In discussing a matter of this kind lawyers always like to look for precedents. The question of whether this is a proprietary right or a trusteeship is more or less vague, but in this case we have a precedent. I regret that the acoustics of the chamber did not enable me to hear the speech of the hon. member for Rosetown (Mr. Evans). I gathered that he was reciting the history of the early steps that been taken concerning these lands. I do not want to repeat any historical statement made by another member of the house, but I must touch here and there in order to make my contention clear. I need not discuss the purchase from the Hudson's Bay Company, as we all know what that was. What actually happened was that when the government purchased the territory, known as the Hudson bay territory, it found itself in possession of a vast piece of land, and did not know what to do with it. It had to guide it the precedent of the United States. After the close of the Revolutionary war in the United States that country found itself in possession, and as a result of purchase, of all the territories extending from the Mississippi river to the Pacific. The various states, thirteen in number at that time, claimed title to that land, but they saw how utterly impossible it was to handle that vast territory under the conditions then obtaining with the result that all the states joined in handing over that vast territory to the federal government to hold in trust for them. That is exactly what happened in Canada. The federal government of the United States took over that vast territory in 1782 and they organized it, developed it and sold lands along the various lines of railway which were constructed. The result of this was that a tremendous amount of money had accumulated in the federal treasury of the United States, and in 1836 they recognized the trusteeship for the different states and distributed that amount of money. What happened? They continued selling land until 1862, when they passed another act, and I should like to call the attention of the government particularly to this.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MacDONALD (Cape Breton South): When the house rose at six o'clock I was dealing with the procedure that had been followed in the United States. I have since then been able to secure a copy of a speech delivered in the House of Assembly of Nova Scotia by the then Mr. Tory, the present Lieutenant-Governor of the province of Nova Scotia. He was dealing with the claims such as have been made in this house to-day respecting the western lands, and as he puts the matter much more concisely than I could, I am going to take the liberty of reading one or two para-

graphs from his speech. I said before six o'clock that our government had followed the same procedure that had been followed in the United States, dividing the whole territory into townships, and subdividing every township into sections, and setting aside two sections in every township for educational purposes. In our law the Dominion Lands Act we followed the same course and set aside sections 11 and 29 in each township for educational purposes.

Practically the first thing that was done after the ceding of the land, was to set aside certain sections for the purposes of education. The first grants were made under the ordinance of 1786, which set aside one section in each township for public schools, and two townships in each state for universities. It had been proposed to set aside one section in each township six miles square for religious purposes, but that was not adopted. However, in 1845 the ordinance was amended, providing for the setting aside of an additional section in each township for public schools, so that growing out of the original ordinance, two sections in each township were set aside for public schools, and two townships in each state for universities. That was the first law and related particularly to new territories, and from it we got the idea of our Dominion Lands Act. This ordinance did not extend the advantages of the public domain to those states which had retained the ownership of their lands.

By the year 1836, due largely to the sale of these western lands, a large surplus had accumulated in the treasury of the United States, which surplus, by an act of congress of that year, was divided among all the states of the union, based upon their representation in congress, and was largely used to create an endowment fund for educational purposes. This step was an acknowledgment of the interests of all the states in the moneys derived from the land, regardless of whether they were states in which the land was situated or otherwise. The United States congress administered these lands, and continues to administer all federal lands except the lands that are sold to individuals.

The next important act of congress bearing on the subject is the act of 1862, known as the Morrill Act, with various amendments which have been made from time to time since its enactment. This act was a direct acknowledgment on the part of the federal government of the United States of the partnership interest of all the states of the union in the public domain, and that is the point I want you to understand clearly in respect to the matter. Under this act there was granted to each state 30,000 acres of public land for each senator and representative in congress to which the state was entitled by the apportionment under the census of 1860; all money derived from the sale of these lands was to be invested by the state in securities bearing interest at not less than 5 per cent, except that the legislatures of the states might authorize the use of not more than ten per cent of the capital for the purchase of sites for the college or experimental farms. The interest was to be used for the endowment, support and maintenance of at least one college where the leading object should be to teach such branches of learning as are related to agriculture and the mechanic arts, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life. The distribution of land was made in two ways. Those states that had public lands within their borders could locate and take up the actual acres. If the state had no lands within its borders subject to entry, then land scrip was issued to it; the land represented by such scrip could not be located by the state receiving it, but the act provided that the scrip might be sold and that the individual purchaser might locate the lands in any state that had public land subject to entry.

Here is a course exactly parallel with the course that might have been followed in Canada at the time these lands were given to Ontario and Quebec. Certain sections might and should have been then retained for the use of those other provinces that could not then take part in them. At this point I want to make a suggestion to the government. Every person who studies this question at all must realize the difficulty of settling this question of the western lands with any sort of satisfaction to all concerned. It must be distinctly understood that the maritime provinces feel that they have a distinct interest in those lands, and if they are going to be ignored in the matter, there is going to be considerable ill-feeling as a result. I know that the government want to avoid that, as we all do; we all want to approach this question fairly. But is there not a suggestion in the course followed by the United States that could be adopted by this government in dealing with this question? Before ceding all these lands to the western provinces, why not set aside a certain portion of them, just as a certain portion of these lands have been set aside for educational purposes in the province? I do not care just how much you set aside, but set aside a certain portion of these lands for educational purposes in the maritime provinces. There would be no difficulty about that, and what would be the result? It would remove any possible feeling that the maritime provinces might otherwise have. It would give them an intimate financial interest in the growth of those western provinces because the money derived from these lands would be used in the maritime provinces for educational purposes. To complete the record I purpose to read a short portion of the brief submitted by the Nova Scotia government to the Duncan commission dealing with this question:

The additions which have been made to the territories of Quebec and Ontario comprise an area ten times as great as that of the three maritime provinces combined. In the vast region of what are now the hinterlands of the two central provinces, there are forest resources, mineral deposits and agricultural lands of enormous potential value, which will increase with the passing years. These additional terri-

tories have already augmented the revenues, enlarged the provincial credit and stimulated the investment of capital in Quebec and Ontario. Nor is there any disposition to protest against the extension of the boundaries of these two provinces. The accident of geography made it inevitable that this portion of the federal domain should ultimately form part of the adjacent provinces. Neither Nova Scotia, New Brunswick nor Prince Edward Island, geographically situated as they are, can reasonably claim to have their administrative jurisdiction extended to any portion of the unorganized federal territory. What we do claim, however, is adequate compensation in the shape of an increase of federal subsidies for our non-participation in such division of the federal domain as has already been made and must inevitably be made in the near future.

Instead of reciting the claims as set forth in that brief, I am going to submit the claims put forward by the Hon. Mr. Tory in a speech delivered in the Nova Scotia House of Assembly in 1920. I may state that these were embodied in a resolution which was unanimously adopted. They are as follows:

1. The natural resources of the three western provinces, including lands and minerals, should be granted them in the same manner as granted to the provinces at confederation;

The subsidy on the basis set forth in the several acts purporting to be in lieu of lands should be continued to the western provinces, in view of the continually expanding cost of provincial services.

2. In lieu of school lands, the maritime provinces should be credited by the federal government with an amount on a proportionate basis of population corresponding to that already paid and credited to the three western provinces, which would be as follows:

Nova Scotia..	$8,917,878 80
New Brunswick..	6,447,736 20
Prince Edward Island.. ..	1,710,623 90

The annual interest only on which should be paid to the provinces to be used for school purposes—calculated at five per cent.

3. As school lands are sold and amounts credited to the western provinces the credit for the maritime provinces with the federal government should be increased proportionately. This contingent credit on the basis of population and value of lands being approximately as follows:

Nova Scotia..	$65,004,557 40
New Brunswick..	46,819,901 65
Prince Edward Island.. ..	12,421,606 55

4. As compensation for continuing the subsidy paid to the western provinces in lieu of lands, the maritime provinces should be granted an equivalent subsidy based upon population which, according to the population of the last census, would be as follows:

Nova Scotia..	$562,500 yearly
New Brunswick..	375,000 yearly
Prince Edward Island.. .	150,000 yearly

Now, I wish to direct my remarks particularly to my friends from the west. Since I have been a member of this house I have noticed that east and west are not in agreement on this question. The east appears to think that the west is claiming what it does not deserve; and the west on the other hand appears to think that the east is claiming what it does not deserve. It is about time that we ceased to think as east and west. If we are ever to develop this Dominion to its fullest extent we must recognize that we are one country, that these provincial boundaries are simply imaginary lines drawn entirely for purposes of organization and administration. I repeat, we are one country; we are not an aggregation of Balkan-like states, each looking at the other with jealous and envious eyes. You cannot hurt the province of Alberta without hurting also the province of Nova Scotia. We in the east have given largely in men and money to build up western Canada. We do not begrudge our contribution; we are proud of it. We feel a personal interest and a personal pride in the wonderful strides that the western country has made.

There is only this to be said in conclusion. The maritime provinces are urging what they think at least to be fair claims; perhaps not strong legal claims, not claims that could be established in any court of law, but undoubtedly claims well founded in equity. And certainly if we are ever going to prove worthy of the great heritage that is ours, we must continue to build on the basis of those eternal principles of fair play and justice.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, I have listened to the debate with a good deal of interest. I think the house is indebted to the hon. member for Frontenac (Mr. Edwards) for bringing to its attention this important matter. It is not altogether his fault that it has not been brought to our attention sooner. Indeed it is rather remarkable that a question of such interest and such importance to western members should be brought forward by a member resident in eastern Canada. I do not purpose to go very far into this question tonight, but one or two points that have not yet been mentioned I think should be brought to the notice of the house.

The vast territory under discussion is a very important part of the Dominion. For a considerable length of time it was not thought to be of very much account. From 1670 up until 1870 it was treated largely as a hunting ground and was under the control and practical sovereignty of the Hudson's Bay Company. King Charles II granted that company an exclusive charter of this vast territory. In 1867 an event of great importance was crystallized in the passing of the British

North America Act. Frequently it is referred to in this house as our constitution. In section 92, subsection 5 of the act, we read:

> In each province the legislature may exclusively make laws in relation to . . . . the management and sale of the public lands belonging to the province and of the timber and wood thereon.

I have not quoted this subsection literally, but only that part which I wish to bring to the attention of hon. members. Again in section 109 we read:

> All lands, mines, minerals and royalties belonging to the several provinces of Canada, Nova Scotia and New Brunswick at the union, and all sums then due or payable for such lands, mines, minerals or royalties, shall belong to the several provinces of Ontario, Quebec, Nova Scotia and New Brunswick in which the same are situate or arise:—

From these two sections it would seem that the original intention of the fathers of confederation, confirmed by the imperial house, had been that each province on its formation should have the full and absolute control of the natural resources within its territory.

Now following the passing of the British North America Act the young country of Canada conceived the idea of taking over full possession of all that large western territory, and an agreement was entered into between Canada, as recently formed, on the one hand, and the Hudson's Bay Company on the other. The agreement was consummated in the year 1870. This is the point I wish to emphasize to members of the house—and I have not heard it brought forward yet. In that deal the Dominion was to pay the Hudson's Bay Company a certain agreed sum, to be made up of three hundred thousand pounds in cash and one-twentieth of the land after it was surveyed. That land included territory from the lake of the Woods to the Rocky mountains and from the international boundary to the north branch of the Saskatchewan river. One-twentieth of all that land, after being surveyed, was to be turned over to the Hudson's Bay Company. This deal, as I say, was put through in the year 1870, and immediately thereafter there was a large influx of settlers into that new country, especially into what was then known as Fort Garry. The people who had been resident in that territory became somewhat alarmed; they felt that their lands and homes were being threatened and were in danger. When, therefore, the newly formed country of Canada, in the same year, 1870, undertook to form a province, to be called Manitoba, they found existing within that territory a condition which was quite unusual. This is the point we should keep in mind: the condition existing in the territory where Manitoba was formed was unusual. There was such a state of unrest among the people that rebellion was imminent, if it did not actually exist. Louis Riel had put himself at the head of some of the disaffected settlers and it looked very serious for a time for the federal government. They were able to pacify the settlers and bring about a semblance of rest; still there was this old agreement to be carried out with the Hudson's Bay Company, and it was felt on the formation of the province of Manitoba in 1870 that the deal as entered into could not or would not be satisfactorily put through by the province of Manitoba. It was felt by the federal authorities that the deal would be more satisfactorily consummated if they were to retain the control of the Dominion lands in the newly formed province of Manitoba until such time as the survey was carried out and the deal with the Hudson's Bay Company completed. That accounts for the fact that in the Manitoba Act section 30 is incorporated, reading:

> All ungranted or waste lands in the province shall be, from and after the date of said transfer, vested in the crown, and administered by the government of Canada for the purposes of the Dominion, subject to, and except and so far as the same may be affected by, the conditions and stipulations contained in the agreement for the surrender of Rupert's Land by the Hudson's Bay Company to Her Majesty.

It seems to me that this is a very important point for the members of this parliament and the maritime provinces to keep in mind. The territory known as Manitoba, being in a state of unrest, was not put on a parity with the other provinces which had been formed in 1867, for the simple reason that the authorities felt that they could better handle the situation if it were left entirely within their control. But the impression given to the young province of Manitoba at that time was that this was only a temporary measure on the part of the federal government; it was intimated to the young province that in due time its natural resources would be turned over to it, as had been contemplated in the British North America Act.

We come down a little further in history to the year 1905 and we find at that time, thirty-five years after the formation of the province of Manitoba, that the condition in that province was just as it had been created in 1870. No further measures had been taken to give to that province its natural resources. In 1905 an act was passed for the formation of the province of Alberta and another for the formation of Saskatchewan; and following the

precedent established in the case of Manitoba, we find, incorporated in the Alberta Act, section 21 which reads:

All crown lands, mines, and minerals and royalties incident thereto, and the interest of the crown in the waters within the province, under the Northwest Irrigation Act, 1898, shall continue to be vested in the crown and administered by the government of Canada for the purposes of Canada, subject to the provisions of any act of the parliament of Canada with respect to road allowances and roads or trails in force immediately before the coming into force of this act, which shall apply to the said province with the substitution therein of the said province for the Northwest Territories.

In the same year, 1905, the province of Saskatchewan was formed, and there is embodied in that act section 21, which reads identically the same as section 21 of the Alberta Act. Now the only reason we can give for the continuance of a situation which was supposed in 1870 to be temporary is the fact that sufficient agitation was not raised on the part of the young province of Manitoba for the return of its natural resources. At the present time we find that the province of Manitoba, through its legislature, is insisting upon the return of its natural resources; we find that the province of Saskatchewan, through its legislature, is doing likewise; and we find that the province of Alberta has also for some time past been insisting upon the return of its natural resources. We find also in these western provinces that the different political parties are practically unanimous in asking that these resources be returned. Personally I do not think it is so much a matter of dollars and cents as it is a matter of principle; these provinces feel that they are quite capable of managing their own affairs. The province of Saskatchewan has passed its age of majority; it is now twenty-four years of age and I think it only fair to assume that the people of that province are quite as capable of looking after their own internal affairs as the people of Ontario, Quebec, Nova Scotia or New Brunswick. Just as it was the original intention of the fathers of confederation and of the Imperial parliament that each province should retain control of its natural resources, so should that intention be carried out with regard to these western provinces.

It is rather unfortunate that one section has been left in the resolution which opens up the way for the representatives of the maritime provinces to come along with a supposed claim, but their arguments are not very weighty. One hon. member told us they had a proprietary right in the natural resources of the western provinces. I have not looked up the dictionary to see what that word means, but a proprietary right in these lands must be a great thing. The hon. member for Cape Breton South (Mr. MacDonald) was not quite so pronounced in his views; I think he said they had a claim in equity. There are a few more maritime men who may speak, and I hope the next one will say that perhaps we should consider this as a compassionate allowance; that will be getting a little closer to the actual fact. If the maritime provinces have a proprietary right in that great western country and because of that proprietary right are looking for some compensation in dollars and cents I wonder why the imperial parliament allowed the four original provinces to form themselves into the Dominion of Canada without saying, "We have a proprietary right in these provinces, and we want to look after their natural resources until such time as we get some money out of them." It seems to me, Mr. Speaker, that the Imperial parliament would have a much more legitimate claim than the maritimers have at present. I am not sure that they are presenting their claims with as much zeal as they would feel if they were more sure of themselves; I think they are in very much the same position as the young chap from the old country who was looking for a job in Manitoba a couple of years ago. He tramped around for a couple of days with a companion, looking for work, and when he could not find any he said, "I say, Jock, it is a funny thing that we cannot get a job here and we own the blooming country." That seems to be the attitude taken by our maritime friends; they think they own the country out there and that they have a proprietary right to a portion of what we ourselves should be handling, controlling and directing for our own good.

Mr. M. N. CAMPBELL (Mackenzie): In disputing the right of the federal parliament to withhold from the prairie provinces their natural resources I wish to quote section 109 of the British North America Act, which says:

All lands, mines, minerals, and royalties belonging to the several provinces of Canada, Nova Scotia, and New Brunswick at the union, and all sums then due or payable for such lands, mines, minerals or royalties, shall belong to the several provinces of Ontario, Quebec, Nova Scotia, and New Brunswick in which the same are situate or arise, subject to any trusts existing in respect thereof, and to any interest other than that of the province in the same.

If that applied at the time of confederation it should apply to-day, and to say it does not apply means that one is trying to build up an argument to the effect that the prairie provinces shall continue to occupy a subordinate place in confederation, or in other words that they are merely colonies of the old provinces and that they entered into con-

federation under restrictions and limitations not imposed upon the older provinces. I hardly think even our friends from the maritimes would put forward such a claim as that. No decent, self-respecting Canadian citizen would put forward the claim that it is desirable that the prairie provinces should continue to occupy a subordinate position in confederation.

In 1868 Rupert's Land was sold to the Dominion for £300,000. It is a common argument, of which we have heard a good deal during this discussion, that this money was paid by the Dominion of Canada composed of the provinces of Ontario, Quebec, New Brunswick and Nova Scotia, and that therefore these lands belong to them and not to the provinces later formed from these lands. In my hands I have a brief which was built up on this argument, and I would like to give two of the reasons presented therein on behalf of those upholding the claim that the older provinces own this land. The first argument is that the Dominion government bore the whole cost of development after these territories were acquired by Canada and established the new provinces free of debt; the second point is that the self-governing colonies of Nova Scotia, New Brunswick, Ontario and Quebec had to furnish for themselves the public works and services which Canada provided for the territories before establishing them as provinces, and when the colonies had to borrow money for that purpose it was afterwards charged against them in balancing the debt accounts between them and Canada. Further, I find presented that old argument, which has whiskers on it, that the Canadian Pacific railway was built by eastern Canada, by eastern capital, for the benefit of the west.

Let us just proceed to examine these arguments, and first I would point out that the original £300,000 was not paid in cash. There might be something to this contention if that money had been taken from the federal treasury at that time and paid in cash, but we find that payment was not actually completed until 1904, thirty-four years after the province of Manitoba was formed and just at the time the new provinces of Alberta and Saskatchewan were in process of formation. For many years, of course, the people in this territory had been contributing their share to the revenues of the Dominion; certainly during that period the people in what are now the provinces of Manitoba, Saskatchewan and Alberta contributed no small share to the payment of the original sum. Therefore there is nothing to the argument that this money was paid entirely by the original four provinces, and so we see the fallacy of the argument that the four original provinces have a proprietary right in these lands because they bore the cost of acquiring them. However, I have another authority in this connection. Sir John A. Macdonald, speaking in this house on the Manitoba bill of 1870, is reported as follows:

> It was worthy of attention how carefully the interests of the Dominion had been looked to in the reservation of all lands for all purposes. They (the inhabitants) wished Rupert's Land made into one province and to have all the land within the boundary as in other provinces. The land could not be handed over to them, it was of the greatest importance to the Dominion to have possession of it for the Pacific railway must be built by means of the land through which it had to pass. They would be in a position to obtain repayment of the disbursement of the £300,000. The expense would be defrayed by that means instead of being charged against the people of the province of Ontario, Quebec, Nova Scotia and New Brunswick.

I hardly think my hon. friends will dispute Sir John A. Macdonald's words.

Our hon. friends from the maritimes have raised the question of proprietary rights, but I think they are just a little inconsistent in the argument they are putting forward. In the year 1912 an empire rich in minerals, in timber, in pulpwood and in water powers was added to the provinces of Ontario and Quebec. At that time they made no objection. If they have a proprietary right in the resources of our prairie provinces they would have an equal right in the territories added to Ontario and Quebec. They did not raise that question and why should they try now to throw a monkey-wrench into the machinery? Why should they object to the prairie provinces acquiring their natural resources? They made no objection to these large acquisitions by the other provinces. If they had had any claim they would have presented it at that time and objected to these large areas being turned over to these other provinces.

The hon. member for Prince (Mr. MacLean) raised what I thought was a rather remarkable argument. He mentioned some of the disabilities and disadvantages under which the maritime provinces suffered. No one is more ready to admit that than I am. I was quite ready to support the recommendations in the Duncan report, and I did support them in this house because I believed it was a belated act of justice on the part of this parliament. The hon. member for Prince argued that the maritime provinces, and particularly his own province, should secure some compensation from these lands. As a support for his argument he mentioned the fact that they had no stone in Prince Edward Island. I always

thought that that was something to be proud of in an agricultural country. We in the west would congratulate ourselves if we were in that happy position. I thought there might be a happy way out of this, a way which would leave all parties satisfied. We have many acres of stony lands in western Canada, and we would be quite pleased to have the federal government turn over our natural resources to us and reserve this stony land for the use of our friends in the maritimes.

I want to make my position quite clear. I am not objecting to any seeming claim on the part of the maritimes. What I am objecting to is their tangling up their claim with the transfer of these resources to the prairie provinces. If they have a claim it is not against these resources, the claim is against this federal parliament. Assist us to get our resources. It is not hurting you any. Let us have the resources and then if you have a claim present it to this parliament and I am quite sure it will be dealt with on its merits. If you are treated as generously as you were in connection with the Duncan report, I do not think you should have any objection. Let us secure our natural resources and do not throw a monkey-wrench into the machinery at this particular time.

The contention that the original provinces had to shoulder their own debts while the new provinces had their public works provided for them by the Dominion is not a fair argument. For a long time the administration of the prairie provinces was carried on from Ottawa, but it is also true that the taxes from these same provinces went into the Dominion treasury. Millions of acres of our finest land and other resources were used for the general good of Canada, such as the building of the Canadian Pacific railway. I notice the Drayton-Acworth report states that the proceeds of lands and townsites turned over to the Canadian Pacific Railway up to June 30th, 1916, amounted to $123,810,000. The unsold lands carried in the books of account at that time were valued at $119,259,000, or a total of $243,069,000. The unsold townsites were carried at a value of one dollar. I have no figures since that date, but I believe if we could secure the figures for the sale of townsites since that date, and also the sale of lands, it would be shown that these figures had doubled. All of this came out of the prairie provinces. The prairie farmers who purchased land had to pay for it with the sweat of their brow; they got nothing out of it. Handing that land over to the Canadian Pacific Railway was a contribution to the general good of Canada. The railroad was built through the large and rather barren areas between Ontario and the west with the subsidies paid for in prairie lands. The Canadian Pacific Railway secured altogether 28,000,000 acres of prairie land and this helped to build the line east as well as in the prairie provinces. It was all for the general good of Canada.

In 1869, Joseph Howe, the then Secretary of State, visited the Red River settlement and he made the inhabitants a very definite promise of the same constitution as the other provinces possessed. That obligation has never been lived up to. There was the definite commitment by a member of this government and it has never been carried out. There have been restrictions placed on the province of Manitoba, as well as the other provinces, without the consent of her people and even without their knowledge. On the other hand, the four provinces that went into confederation had the right to refuse; they were not forced into confederation. They went in under conditions that were acceptable and satisfactory to them, or they would not have gone in.

Another argument that is frequently raised is that some parts of the natural resources cost more to administer than they are worth. That is quite true with regard to homestead land, as the sum of $10 per quarter received by the federal government is not sufficient to pay the cost of administration. In comparison with what the Dominion government has to undertake, the provinces must provide schools, roads and all such facilities at enormous cost. The cost of opening up these newly-settled districts is a tremendous burden upon the provinces. Every new settler who comes in contributes in some degree to the revenues of the Dominion, and I do not think that is a fair argument.

This tremendous hinterland was added to the provinces of Ontario and Quebec in 1912, but the only change in the boundaries of the three prairie provinces was the mere moving of a line on the map a little farther north. That is all that occurred as far as the prairie provinces were concerned, but Ontario and Quebec received a free gift of these large areas from the federal government.

One remarkable fact one discovers in following up the history of natural resources is that the government is always opposed to transferring them and the opposition is always in favour. It does not make a particle of difference whether the government is Conservative or Liberal, or whether the opposition is Conservative or Liberal. Whichever party is in opposition is always in favour of transferring the resources and whichever party is on the benches of the government is always

opposing it. I suppose if you reversed conditions in the house to-day you would find the same thing. It is something we have always been up against. But I do appeal to our friends from the maritimes and ask them not to tangle up their claim with our efforts to secure our rights. Let them bring it forward and have it decided on its merits, and not try to prevent us securing what we consider our just rights.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I want to make clear one or two things which, it seems to me have been lost sight of in the discussion. The resolution divides itself into two parts: first, the resolution with regard to the return of the western resources. Speaking as a maritime man, and at the same time realizing my responsibilities in the house, I do not think any maritime member or any person in the maritime provinces for one instant objects to the return of the resources to the western provinces. We realize that a provincial conference was held; that the matter was brought up there; that there was absolute unanimity of opinion that those resources should be returned, and I should be very sorry to have the impression go abroad that the maritime members, or the members from eastern Canada, or those whom they represent, would, for a single instant, to use the expression of the hon. member for Mackenzie (Mr. Campbell), throw a monkey wrench into the machinery of granting those western resources to the provinces. I have a distinct recollection of the support which western Liberals and western members of the house generally gave not so long ago in connection with maritime matters. I remember distinctly that at that time there was no attempt whatever to bargain; there was no suggestion by those members at that time that justice would not be done to the maritime provinces simply because of the fact that the western resources had not yet been returned. and I believe the same spirit will and does animate the maritime members of the house and those whom they represent.

That brings me directly to the second point. There is no attempt, I am sure, on the part of the mover of the resolution to tangle up, as the expression was used, the rights of the eastern provinces in connection with the matter. I should like to remind the house of what has taken place. In this resolution we are not discussing the merits of any claims which may be put forward with regard to the return of those resources. This is not the time to do that. I quite realize that western members may put on record the fact that they do not believe there are any merits in those claims; I realize also that our friends from the maritime provinces may put on record what they conceive to be the foundation for those claims; but the report which was made by Sir Andrew Rae Duncan and which has been referred to by some of the speakers expressly intimates that those claims have not been gone into in detail, but rather reserves them for consideration on the revision and adjustment, which is suggested, of provincial subsidies. That was the claim made in the document which was read by the hon. member for Cape Breton South (Mr. MacDonald) before recess. That is the situation with regard to those claims which have been put forward perhaps not as rights—that is to say, they have not yet been established—but simply as claims which may have arisen by reason of dealing with school lands, with public lands, and which may arise in connection with the action which might be taken with regard to those resources. Those were matters which were to be considered in connection with the revision and readjustment of subsidies. I want to remind hon. members that the Prime Minister (Mr. Mackenzie King), in making his statement in connection with that report, expressly referred to this very matter. He pointed out that it was not simply a matter for the Duncan commission to make a certain recommendation with regard to an arbitrary amount, but a matter in which other provinces were interested, in which the Dominion was interested and in connection with which an opportunity should be given for hearing the other parties. He said, as reported in Hansard on March 18, 1927, in making his statement:

> As already indicated, we believe with the commissioners, that the time is opportune for a readjustment of the financial arrangements between the Dominion and the maritime provinces, but it would not make for an harmonious and lasting settlement of the financial issue, a settlement based on due regard for the needs and interests of all the provinces and of the Dominion itself, to attempt to set a final figure now, before the views of the other provinces and the position of the Dominion have been set forth, and a settlement reached which public opinion will be prepared to accept. For the same reason it is not possible, in advance of the deliberations of the conference—

Referring to the then pending Dominion-provincial conference.

> —and of the detailed determination and assessment which the report recognizes is necessary, to accept the view for which no detailed grounds are advanced, that certain sums set forth in the report should be regarded as "the minimum addition that the three maritime provinces should have in any such revision".

Note these words:

> The final revision can only be made in accordance with the merits of the case.

The final revision and readjustment has not been made. Speaking personally, I think it is a good thing that this matter of the return of the resources is being discussed now and terms, if possible, are being arranged. When the final readjustment and revision is made, if any claim of any of the maritime or of the eastern provinces,—because the maritime provinces are not the only provinces who were original members of confederation,—has arisen or if any claim is enhanced or strengthened, then due cognizance can be taken of that claim in connection with any inquiry concerning the readjustment and reassessment. I feel maritime members ought not to ask more than that and I believe the western members of the house will not ask less.

Mr. ALFRED SPEAKMAN (Red Deer): The subject which is brought before the house to-day by the hon. member for Frontenac-Addington (Mr. Edwards) is one of vital importance as it effects Canada as a whole. Not only is it of importance to the house, but it is of particular importance to the members who sit in this corner because they are perhaps more intimately associated with the province whose affairs are most nearly settled than any other similar body in the house. It has been a matter of wonderment, I believe, on the part of people both in the house and outside why the members from Alberta particularly had never taken the initiative in this matter and had not brought this question up on the floor of the house of their own volition. That is easily explained. We believe, we still believe, that primarily this is a matter for the different governments involved; primarily it must depend on negotiations between and agreement of the Dominion government on the one side and the different provincial governments on the other. It was in this belief and in compliance with what we believe to be the wishes of the negotiating parties that so far we have refrained from pressing this matter upon the floor of the house. But the resolution having been brought forward and the matter being under discussion, we would certainly be derelict in our duty if we did not express ourselves at this time.

The resolution itself in the main and in general terms is one to which I believe little exception can be taken by any member or any party or group in the house. In general terms it reminds us that the transfer of those resources is long overdue; that it is for the benefit, not only of the provinces directly affected, but of the Dominion as a whole, that this vexed question, which has for many years, troubled the minds of men and women all over Canada, particularly in the west, should be brought to a conclusion; that some settlement and agreement should be arrived at as speedily as possible, which will be satisfactory to both parties concerned, to the people of the prairie provinces and to the rest of Canada. But while we feel that in general terms the resolution is one which all may approve, we also feel that there are one or two phases of it that should be definitely considered and clearly understood.

The first deals, perhaps indirectly, with the one factor which has been a stumbling block in the way of a settlement of this question for the last two or three years, and that is the matter of the control of the school lands and the school land funds. I am one of those who believe that a very grave error was made when these two questions were first mixed, and when this extraneous matter, as we believe it to be, namely, the control of the educational system, was thrust into the consideration of another matter altogether, namely, the transfer of the lands from the crown in the right of the Dominion to the crown in the right of the provinces. But that having been done, and time enough having elapsed for the question to be thoroughly discussed and thoroughly understood in all its phases, I welcome in this resolution, and in the agreement which I understand is under way, the partial solution at least of this problem, a solution which while not actually settling the point in dispute, does not vitally affect the question of the transfer.

What is said on that point in the resolution, which follows almost word for word, I believe, the language suggested in the negotiations between the two governments, is that these lands and this fund should be used for educational purposes "according to the laws of the respective provinces, but in compliance with the letter and spirit of the constitution." I can take no exception to those terms, for it is in compliance with the letter and according to the spirit of the constitution that the provinces have any legislative power whatsoever. They are granted that power, the power of law-making and the power of administration, by virtue of that very letter and spirit which is here referred to. It becomes therefore merely a matter for future interpretation as to the exact meaning of that letter and the exact meaning of that spirit, and leaves both schools of thought at liberty, without prejudice, to take action, if action is necessary, at a future date to settle that part of the question.

The clause of the resolution to which I do take the greatest exception, and to which those members who sit near me take the strongest exception, is the clause reading "and

the claims of any other provinces in connection with this subject." Perhaps we would not take exception to the extent that we do had it not been for the obvious interpretation placed upon these words by many hon. members who have spoken, particularly members from the maritime provinces, namely, that the return of the natural resources—or rather, the transfer of the natural resources, because you can hardly return to the provinces something which they never really possessed—shall be conditional upon the investigation and satisfaction of other claims. To that we take exception.

Lest I be misunderstood, may I say this, and I think the records of the house will amply prove my contention: We in the west are and always have been disposed to deal fairly and justly, nay, generously, with the maritime provinces or with any other province in the adjustment or settlement of any claims which they may have. I think the records of this house will show that when the subject of maritime rights was before the house on a former occasion, the members from the west showed no narrow or selfish spirit in dealing with the maritime claims or with the report which dealt with those claims. They did what they could to assist in improving conditions in the maritime provinces and for myself, and I think I speak for my colleagues, we are prepared at any time to support a full investigation into the claims and the needs of those provinces, and further, to support a fair and generous solution of their difficulties. But we do take exception to these two subjects being intermingled in this way. We take exception to the idea that the settlement of their claims shall be made a condition of the settlement of other claims. The two should never be brought into juxtaposition at all, in our opinion, and for that reason, believing as we do that the maritime provinces have grievances and that these grievances should be remedied; believing also as we do that these are two separate and distinct questions, and that the question of the maritimes and the question of the western provinces should be settled each in its own time and on its own merits, we cannot support that part of the resolution.

As I said, perhaps we should not have felt so strongly upon the subject had it not been for the statements that have been made by some members from the maritime provinces. With some of their statements we are in accord. We take no exception to the statement, for example, of hon. members that this was perhaps an opportune time for examining into their claims, that the subject of provincial rights and provincial claims being uppermost, this was perhaps a fitting time for investigating the claims of other provinces. So far we can agree with them, but other hon. members have made the statement clearly and unequivocally that the one must be contingent upon the other, and that they would oppose the transfer of the natural resources to the western provinces until this other question was settled. Believing as we do that that is not sound; believing that each question must be considered on its merits and investigated and treated as a separate subject, while assuring the maritime members and other members of the house of our support of any claims they may advance of which we can approve, I beg to move, seconded by the hon. member for Camrose (Mr. Lucas) that this resolution be amended by striking out the words "and the claims of any other provinces in connection with this subject" as they appear in the ninth and tenth lines of the resolution. The latter part of the resolution will then read:

and that the claims of these provinces—

That is, the western provinces.

—to compensation for loss for lands and resources alienated should be investigated with a view to satisfactory and equitable adjustment.

We believe that the resolution thus amended will be acceptable to practically every member of the house, and we can assure other members of the house, particularly those from the maritime provinces, that if they give this resolution, as amended, the support which it merits, or indeed if that support is not given, we shall be prepared in the future, as in the past, to work with them for the adjustment of their grievances and for the satisfaction of their needs, as well as with the rest of the people of Canada for the upbuilding of this country as a whole.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I desire to take a few minutes of the time of the house to discuss the resolution and the amendment as they affect the province from which I come.

I should be very glad indeed to see this matter finally settled. Like the Hudson Bay railway and the bay terminal, it has been too long a political football, and I would welcome the settlement of the claims of the western provinces for the transfer of their natural resources. I remember some years ago when I first went to western Canada, soon after the provinces of Alberta and Saskatchewan were formed, this became a very live question, and when the first provincial election in Sas-

katchewan was in progress the transfer of the natural resources was practically the only question under discussion.

Some years later when the Liberal government then in power under Sir Wilfrid Laurier proposed a reciprocity agreement with the United States, the Conservative party objected very strongly, and I remember in the election of 1911 when passing through Saskatoon having an opportunity of listening to a speech by Sir Robert Borden delivered in the local skating rink. He, of course, was very much opposed to the reciprocity pact, and he warned the people of western Canada to keep away from those bad Americans, otherwise they might be swallowed up by the republic. He promised on that occasion that if western Canada would only support the Conservative party, when that party got into power he would guarantee that they would transfer the natural resources to the three prairie provinces without delay. I heard Sir Robert Borden make that statement with my own ears. Sir Robert Borden wound up his address by saying: Return the Conservative party to power, and if I am the prime minister or the head of the party, I will guarantee to you that one of the first pieces of legislation that is introduced in the House of Commons by our government will be a bill transferring the natural resources to these prairie provinces.

Unfortunately for some reason or other he was not able to carry out that platform promise, the probable reason being that this question became a political football. Now the time has come when we believe that the question should be taken out of politics for the welfare of Canada as a whole. We cannot conceive of the three prairie provinces developing as they should develop, providing markets for eastern industries, just so long as their natural resources are controlled from Ottawa. The distance is too great. Naturally the provincial governments have a better opportunity of developing those natural resources along the best lines for all concerned than has the Dominion government.

Let me review the situation in so far as it affects self-government in Canada, and point out the reason why the British government decided upon the principle that the natural resources should be transferred to the territories when they undertook to provide for self-government. It will be remembered that in the earlier days we had colonies in Canada, and that governors were sent over by the British government and were assisted by an executive council composed of five or six men in each colony. At that particular time the natural resources were vested in the crown, and they were the prerogative of the crown. The only way in which those natural resources could be dealt with at that time was for the governor and executive council to recommend that transfers of land should be made to certain persons. For instance, we find that in lower Canada 1,425,000 acres were transferred to sixty-five persons. One can easily understand the colonists of those days smarting under such an injustice. They demanded that not only should they have a greater measure of self-government, but that at the same time they should be in a position to control their natural resources. A good deal of correspondence took place; Lord Durham was eventually sent out, and soon after his arrival the British government decided to grant responsible government and to turn over to the colonies in exchange for the civil list the natural resources within their boundaries. That is how it came about that finally Ontario, Quebec, New Brunswick and Nova Scotia secured control of their natural resources. It is apparent that those provinces or colonies, as they were then, had to put up exactly the same fight that we are putting up to-day in order to secure the control of their natural resources.

Under those circumstances I do not admit that the maritime provinces or any of the other older provinces have proprietary rights in the natural resources of the three prairie provinces. Much has been said this afternoon with regard to the extension of the boundaries of Ontario and Quebec. But it must be remembered that it is a British principle that where the people undertake self-government and provide the civil list, then their natural resources automatically come under their control. At once the imperial government is relieved of all possible expense in the administration of those particular territories. Therefore when Ontario and Quebec had their respective boundaries extended, it is quite reasonable to suppose that those two provinces required the natural resources of the new territories to defray the added cost of administration. In my judgment none of the other provinces have any proprietary interest in the particular territories so added to Ontario and Quebec.

Now, we take the same view so far as western Canada is concerned. We may claim that when we were endowed with self-government the natural resources within our territories, applying the British principle to which I have already referred, should immediately have been turned over to the new provinces in order to assist them in defraying their cost of administration. After all, it is the

provincial authorities that are responsible for the good government of their territory, and, I repeat, the British principle should apply in those three provinces just as thoroughly as it has been applied in the older provinces.

I want to draw the attention of my Conservative friends particularly to a statement which Sir Robert Borden made in 1905 when the autonomy bills creating the provinces of Alberta and Saskatchewan were going through this house. I take it from a book by Mr. Chester Martin, entitled The Natural Resources Question. Sir Robert Borden then said:

> The constitutional rights which the original provinces of confederation now seek to deny to the prairie provinces of the twentieth century are the same rights which they themselves vindicated, even against Lord Durham, during the first half of the nineteenth. The arguments employed against the provincial rights of the prairie provinces "would have justified the retention by the Imperial government up to the present time of every acre of crown lands in Canada."

I understand that that statement was delivered in this house. I believe that in the near future this question will be finally settled, and that the three prairie provinces will secure their full provincial rights. Under present conditions, without our natural resources we are to all intents and purposes colonies of the Dominion of Canada, just as the former colonies of Ontario and Quebec, New Brunswick and Nova Scotia were to the British government; and we maintain that under these circumstances it is impossible for confederation to be a success or to be the success that it should be. We therefore plead with all concerned to try, if possible, to expedite this matter.

I wish to give another quotation, and this time I will go to the old land; I will quote a very high jurist, namely, Viscount Haldane. A case was being heard before the privy council, in connection with which I shall read a few extracts from a discussion between Lord Haldane and Canadian counsel as reported in a book edited by E. R. Cameron, K.C., and published by the Carswell Company, Limited, in the year 1922. At page 155 there appears the following:

Viscount Haldane: All land in the province is in the crown in right of the province, unappropriated land.

Mr. Wegenast: Not in Manitoba and Saskatchewan.

Viscount Haldane: They are surely both set up as provinces under the British North America Act.

Mr. Wegenast: Not in that sense, my lord.

Viscount Haldane: You surprise me very much. Where is the section in the confederation act which puts the title of the land in the province?

Mr. Wegenast: The crown lands in Saskatchewan and Manitoba are held in the right of the Dominion.

Viscount Haldane: There may be, of course, crown lands—Indian lands, for instance—as to which there is a statutory provision, but all I can say is that the general character of the distribution of powers between the crown and the province, between the Dominion and the province in Canada, is that there is a common crown advised by different ministers, but that the titles to the land of Canada is in the crown in the right of the province, where it is not expressly conferred on the Dominion.

Mr. Wegenast: Yes, my lord.

Viscount Haldane: The crown is entitled to the land; and the whole question is: Is the crown advised by the government of the province or the government of the Dominion in exercising that right of property? Of course, if there are statutes saying that something is crown land and given to the Dominion in right of the Dominion that is another matter. You have something of the kind in the case of the Indian reserves, but generally speaking land is in the crown in the right of the province.

Mr. Wegenast here reads a note in Lefroy's book on "Canada's Constitution" dealing with section 109 of the British North America Act as follows:

"This section, of course, applies mutatis mutandis to the other provinces admitted into the union since confederation, other than Manitoba, Alberta and Saskatchewan, where the public lands are still retained by the Dominion".

Viscount Haldane: Just show me the provision in the British North America Act or any subsequent imperial statute under which that is so, because it is a very extraordinary proposition. It is not a question of conveyancing. There is only one crown in Canada for the province and the Dominion—and only one crown for the empire. The title to the public land is vested in that, and the only question is what sort of advisers advise it. If you could show me that there is a provision that the crown is to be advised by someone else than the government of this province, well and good.

Mr. Nesbitt: I am not going even to discuss this point because it has no bearing on the case.

Viscount Haldane: I think there is a much more fundamental question here, which is: when the provincial government was set up and the land vested in the crown how can the crown be advised by any other government?

Mr. Wegenast: It is the greatest issue as between the western provinces and the Dominion at the present day. The patent in the case of lands in Manitoba, Alberta and Saskatchewan comes from the Dominion. Every man traces his title from that.

Viscount Haldane: No doubt, because he traces it back to the time when the Northwest Territory was administered by the Dominion of Canada. But since the province has been set up, I should be very much astonished to hear that, in the case of any ordinary land, there was any title by charter, which came from anybody but the lieutenant governor of the province on behalf of the crown.

Mr. CAHAN: Lord Haldane evidently had not read the whole of the British North America Act.

Mr. GARDINER: Nevertheless he probably understood it.

Mr. BENNETT: I take it the hon. gentleman realizes that these observations were made in the case of the Great West Saddlery Company and have therefore no bearing whatever on the question at issue. What the hon. gentleman has read is the report of a conversation between Lord Haldane and counsel.

Mr. GARDINER: I said merely that I was going to quote an opinion—

Mr. BENNETT: Not an opinion.

Mr. GARDINER: —in regard to this question. However, I have read enough to give the house Lord Haldane's opinion with regard to natural resources. In conclusion, may I say this, I trust that so far as this government is concerned it will expedite this matter to the best of its ability. I have come to the conclusion in the last few years, in view of the fact that this question has been made a political football, that the western provinces would be well advised to appeal to the privy council to determine first of all whether this parliament ever had the power to withhold these natural resources when the western territories were created provinces. Unless some settlement is arrived at soon, this is the only course left to the western provinces.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): A few moments ago I had no intention of addressing the house on the resolution now before us, for the reason that it appeared to me that a great step forward on this long standing question was about to be made, in that the House of Commons seemed to be heading in the direction of a unanimous resolution with regard to the subject. Such unanimity, following as it would the practical unanimity of the Dominion-provincial conference last year in connection with the same matter, would undoubtedly facilitate to a very great degree the final settlement of this matter, which has been agitating the people of Canada, and the people of western Canada particularly, for a number of years past.

I have had some previous connection with the negotiations regarding natural resources, not alone as a federal but also as a provincial minister, and I am reasonably familiar with the development of the question from 1905 onward. My view is that there never was any doubt at any time as to the right of the new provinces to the control of their natural resources.

Some hon. MEMBERS: Hear, hear.

[Mr. Cahan.]

Mr. DUNNING: My hon. friends applaud, but it is not a statement particularly worthy of applause; it is a simple fact. In the arrangements which were made for the payment of a subsidy to these new provinces in lieu of their resources, recognition was given by this parliament to the simple fact that they had a right to them; otherwise why pay them anything in lieu of something to which they had no inherent right? In my view the acknowledgment by parliament, in the case of Manitoba a few years after 1870, and in the case of the provinces of Saskatchewan and Alberta in 1905—the recognition that a sum of money must be paid annually in lieu of possession of the resources by the provinces—constituted an admission by this parliament that the provinces had the inherent right to the possession of those resources, and that as a matter of expediency —national expediency, if you will—for the development and settlement of this country, it was desirable that the Dominion should retain control and should administer those resources, but should pay the provinces annually a sum in lieu of the right which it was tacitly acknowledged the provinces had in the premises. I do not think we need argue that. It is a right which I think is now generally acknowledged throughout Canada, and in the terms of the resolution placed before the house by the hon. member for Frontenac (Mr. Edwards), as I said at the outset, there appeared to be a possibility of a unanimous agreement by the house. Now an amendment has been introduced seeking to cut out the following words:

> —and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactory and equitable adjustment.

In common with the mover of the amendment I am of opinion that no other province has any claim whatever in connection with the natural resources of western Canada, but it is one thing for me to hold that view and another thing for me to say that any claim any province thinks it has should not be investigated. As far as the Liberal party are concerned, at any rate, we are quite prepared to investigate any claim any province thinks it may have against this Dominion with respect to any matter, and we would be the last to deny the right of any province at least to attempt to demonstrate the merit of any claim they may think they have. I suppose in what I have just said I will be quoted, or misquoted, in western Canada as admitting some right on the part of the maritime provinces. Nothing is further from my

mind, but I do say that the western provinces think they have claims with respect to many matters. This government does not deny to those provinces the right to have those claims investigated, nor would we deny the same privilege to the eastern provinces with respect to any matters. As the Minister of National Defence (Mr. Ralston) has said, the question of the final adjustment of subsidies is still open. In connection with that final adjustment of subsidies for the maritime provinces the western provinces believe they have claims, provided the adjustments are made along certain lines, and I do not suppose my hon. friends from the maritime provinces would deny the western provinces the right to have these claims looked into. It is one thing to oppose claims and another completely to deny investigation of them.

We should remember also in connection with a matter of this kind that action in this chamber is not final. Settlement of this question involves an amendment to the constitution of this country, because the constitutions of these western provinces automatically became part of the constitution of this country the moment assent was given to them. Any amendment to them means action by this house, approval by the senate, approval by the provincial legislatures concerned, and also approval by the imperial parliament, and for that reason I submit it is in the highest degree desirable that if possible we should start from a basis of unanimity. I have no doubt that in connection with the senate, in connection with the provincial legislatures concerned, and in connection with the imperial parliament dealing with the matter, if there were provinces in Canada dissenting, that would have an effect upon the discussion, especially in the imperial parliament, of any matter so serious as an amendment to the constitution of one of the provinces and therefore the constitution of this Dominion. So, while not disagreeing with my friends of the United Farmers of Alberta as to the merits of any claim, I would ask them seriously to consider the withdrawal of their amendment in order to attain practical unanimity, if possible, at this stage. In no sense does the resolution commit anyone to the recognition of any claim which may be made by any other province; it merely commits us to a willingness to investigate any claim put forward by anyone.

Mr. C. H. CAHAN (St. Lawrence-St George): Mr. Speaker, this resolution which is proposed by the hon. member for Frontenac-Addington (Mr. Edwards) is in the exact terms, with the possible exception of one comma, of a resolution which was unanimously adopted by the national Conservative convention held at Winnipeg. At that convention all the provinces of Canada were represented, and in the interests of the whole country it was deemed advisable that the delegates should endeavour to reach a reasonable compromise resolution upon these matters which we could endorse unanimously and which would serve on the part of one of the great political parties of Canada to remove this question of natural resources from the arena of partisan political discussion. In formulating that resolution both in the committee on resolutions and in the open convention I think views almost as diverse as those which have been expressed in this house to-night were put forward, but after a lengthy discussion we unanimously accepted the resolution as it now appears.

This resolution deals not only with the return of the natural resources to the western provinces but also with the transfer to these provinces of certain specific funds which have been accumulated through the sale in the three provinces of Manitoba, Saskatchewan and Alberta of school lands which had been appropriated for certain particular educational purposes. Naturally some difference of opinion arose at the convention with regard to the interpretation of the constitution as it exists to-day, but it was felt that this interpretation might well be left to the courts of this country, because we as members of that convention could not interpret in any binding form the constitution of this country so far as it made reference to this question. Moreover, our constitution is liable to change, and it was felt that these school lands and school land funds should be administered not only in compliance with the spirit and the letter of the constitution as it exists to-day but in compliance with the spirit and letter of the constitution as it may be amended by constitutional methods in the future. I think that this resolution was a fair compromise, having regard to the differing opinions; but in connection with the transfer of these natural resources opinions were also expressed by delegates, representing the provinces of Manitoba, Saskatchewan and Alberta, to the effect that these provinces had claims to compensation for lands and resources alienated up to the present time. Some of us thought there was no valid, legal claim existing on the part of any of these provinces to such compensation, but it was felt, as the Minister of Railways (Mr. Dunning) just now suggested, that if there were such claims and if there were those who believed those claims to be legal and valid, no effort should be made to preclude them

from asserting those claims before a body competent to investigate and adjudicate upon them. And therefore, this clause was added:

—and that the claims of these provinces to compensation for loss for lands and resources alienated. . . should be investigated with a view to satisfactory and equitable adjustment.

After we had dealt fairly with the western provinces in that respect, other claims were asserted on behalf of the three maritime provinces in connection with the proposed transfer to the western provinces of property held by the crown in the right of the Dominion government in which all the other provinces are interested. It was felt that we could not, as a convention, deny the three maritime provinces the right to have the claims asserted by them investigated by a competent tribunal, and so the resolution was drawn finally in the form in which it now exists. That, I repeat, was a real, honest and sincere effort to arrive at the terms of a resolution which would tend to take this matter out of the arena of partisan discussion. Now when this resolution is brought before this house, representing all the provinces of Canada, we are met with exactly the same difficulty. I for one am not going to vote for the amendment and thereby preclude the maritime provinces from presenting the bases of their claims before a competent tribunal to be appointed by the government of Canada. I think it would be most unjust to do so, because there is nothing more likely to tend to create dissatisfaction on the part of the maritime provinces than to have it asserted that claims, in the validity of which they honestly and sincerely believe, should not be presented and investigated by a Dominion tribunal.

I look with considerable doubt upon the claim of the three western provinces for compensation for lands already alienated, but I am not sufficiently acquainted with the bases of those claims to assert whether they are valid or not. But I do assert that it is not only inopportune, but it would be inadvisable for the members of this house to deny to these three western provinces the right to present their claim before a competent tribunal. I take the position that the amendment should not be passed by this house. We should not deny to the maritime provinces the right to have their claims investigated and, on the other hand, we should not deny to the three western provinces the right to present their claims and any authentic evidence or legal argument which they can present in support of those claims, in order that they may be adjudicated by a competent tribunal.

[Mr. Cahan.]

The quotation from Lord Haldane, which the hon. member for Acadia (Mr. Gardiner) read, is not apposite at all. If my friend were accustomed to reading discussions—and this was a mere discussion—before the judicial committee of the privy council, he would find that their lordships, when dealing with issues on which they are not fully instructed and in connection with which no evidence has been offered, sometimes make observations which are not authentic and which even have a tinge of absurdity. Lord Haldane evidently had not in mind the Saskatchewan and Alberta acts of 1905, passed by the parliament of Canada pursuant to imperial authority. For instance, section 21 of the Saskatchewan Act, and the same in the Alberta Act, provides:

All crown lands, mines and minerals and royalties incident thereto, and the interest of the crown in the waters within the province under the Northwest Irrigation Act, 1898, shall continue to be vested in the crown and administered by the government of Canada for the purposes of Canada. . .

Section 20 of the same act provides:

Inasmuch as the said province will not have the public land as a source of revenue, there shall be paid by Canada to the province by half-yearly payments, in advance, an annual sum based upon the population of the province as from time to time ascertained by the quinquennial census thereof...

If Lord Haldane had had this issue before him and had been instructed by counsel as to the contents of the Alberta Act, 1905, and the Saskatchewan Act, 1905, he could not possibly have made the observations quoted by my hon. friend the member for Acadia.

There may be differences on this side of the house, and I have no doubt there are, with regard to some of the subsidiary issues that may arise with respect to the transfer of these natural resources to these three provinces, but we have made an honest and sincere attempt as intelligent men, differing with regard to certain incidents, to arrive at a consensus of opinion with regard to those matters which are material and relevant to the present discussion. We have attained this result in the terms of the resolution now before the house, and I am glad to see a disposition on the part of the members of this house, including some members of the government, to cultivate a spirit of conciliation and, so far as it is possible for intelligent men to do so, allay the irritation which exists at the present time, and allay it in a manner satisfactory to all interests concerned.

I think the maritime members were acting well within their rights when, in order to prevent any estoppel in the future, they

asserted in the course of this debate the claims which we all know are entertained by the maritime provinces. That is all they have done, and the house may well say, in the terms of the resolution which is before it, that the claims of the provinces of Alberta, Saskatchewan and Manitoba to compensation for loss of lands and resources alienated, and the claims of any other provinces in connection with this subject, should be investigated with a view to a satisfactory and equitable settlement. I cannot understand how any hon. member can assert by his voice and his vote at the present time, in view of the cordial understanding which we have arrived at on both sides of the house, that the maritime provinces should be precluded or estopped from asserting their claims in the future before a competent tribunal, or be prevented, precluded or estopped from having a competent tribunal adjudicate upon the evidence which they are prepared to present. Therefore, for my part I am happy to-night to know that by the consensus of opinion of both sides of the house we are removing this question from the sphere of party bickerings, and, yet at the same time we are giving an assurance to the western provinces on the one hand who claim a certain compensation and to the maritime provinces on the other who desire certain recognition of their claims, by asserting to them that, by our vote in favour of this resolution, they are not precluded in the future from presenting their claims before a tribunal competent to adjudicate upon them.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, the Alberta resources question is not a question of law but one of policy, like the Manitoba school question was in 1896. If the Hon. Joseph Martin and Dalton McCarthy sitting in this house had made a bungle of the Manitoba school question the way the Alberta school question was made a bungle of in this legislature and a football of by making it a question of law instead of policy, then the Laurier government would never have come into office in 1896.

The question of the Alberta resources case was never a matter of law as was pointed out in my resolution of 1925, 1926 and 1927. The question is a matter of policy under the legislative competence of this parliament. The clause 17 of the Alberta Act was intra vires and no one disputed its validity. The reference to the courts was for political reasons.

I am sorry to say that in 1905 the Liberals of Alberta, then a new province, forgot all about provincial rights and national schools, and destroyed provincial rights and all hope for national schools. They thought more of the welfare of the party; they did not care anything about the future of that great province where millions of people yet unborn will live in the years that are to come, and a system of separate schools was forced upon that province and provincial rights were nowhere, and from that day forward they left the natural resources to shift for themselves. The same thing was true of the Liberal party of Saskatchewan; they were content that this parliament should make a football of the question of natural resources, and they did nothing and were afraid to raise the question. I contend that part of the present resolution of the hon. member for Frontenac-Addington (Mr. Edwards) is similar to mine of 1925, 1926 and 1927, when it says:

> In the best interests of confederation, and the economic development of western Canada, the provinces of Manitoba, Saskatchewan and Alberta should be granted their natural resources free from restrictions.

These words were in my three resolutions aforesaid. The resolution before the chair does not go far enough. This house could pass a remedial bill as in 1896 similar to Manitoba, to apply to Alberta now but parliament will do nothing now or ever to remedy the harm done in 1905 herein. I pointed out that the Alberta question was not one of law at all; that there was no law in the case. The British North America Act which was passed and was signed by the late Queen Victoria, dealt with the bringing into confederation of the various provinces from 1867 onward. Every province brought into confederation a school law of its own manufacture, and the privy council could not in separation or with the British North America Act in combination save Alberta from its treason in 1905 to provincial rights and national schools. In 1905 when two different western provinces were being formed, Sir Robert Borden said in the house that he did not wish to make this a party question or to make a political issue of the destruction of provincial rights and the setting up of clerical schools, and the result was that the politicians of that day dodged the issue just as they dodged it in 1925, 1926 and 1927 in the house. If Sir Wilfrid Laurier in 1896 had made the Manitoba Act a question of law and not a question of policy, the Liberal party would not have presided over this country in 1896, because what was the issue in Ontario? The issue occurred in 1896 when half of the Conservative party rose in rebellion against the Tupper administration. Why? Because they believed the remedial bill invaded the rights of the province in regard to the question of

national schools and provincial rights. The result was that in Toronto some of the official candidates of the Tupper administration were defeated, the Conservative party went into opposition over that one question and Conservatives voted for Sir Wilfrid because they thought he would support national schools. What did Sir Wilfrid Laurier do? He said that he would stand by provincial rights and national schools. Did he stand by them? I say no. The result in the end of the settlement in Manitoba was far worse than if the Tupper administration had forced separate schools on Manitoba, law or no law. The political settlement was infinitely worse by the Laurier administration and Greenway and Sifton and all the rest of them than it would have been by any proposal of Sir Charles Tupper for separate schools. The whole question of provincial rights and of national schools was destroyed by the Liberal party when they took office in 1896 and 1897.

When the question came up in the house a few years ago everybody in 1925, 1926, and 1927 started to run away from it; everybody seemed to be afraid of it. We could not force a decision on it, to the great relief of the government here. Mr. Brownlee, Premier of Alberta, was in Ottawa just on the eve of an Alberta election. It was Brownlee's administration and the Liberal administration ahead of him away back to 1905 that put Alberta where it is to-day and ruined provincial rights and national schools forever in Alberta, and no decision of the privy council can change it. The privy council should not have been asked to repair the 1905 broken windows of the Liberals on provincial rights and national schools in that province. The privy council seems to be about the one place where the provinces can get some show of justice but the privy council sent the Alberta Act back in 1928 as it sent the Manitoba Act back in 1896 to this legislature as within the competence of this parliament. It is not a question of law but a question of policy for the house to decide right now—and as to whether we should not now amend the act of 1905. The three great provinces of Manitoba, Saskatchewan and Alberta would have had their natural resources years ago if the politicians on all sides of the house had thought more of the provinces, of provincial rights, of national schools and of handing over to those provinces the property which they should have had years ago instead of votes and politics.

I am a supporter of provincial rights in this house and will support relief without restrictions for Alberta and Saskatchewan. I endeavoured to get the issue settled here as a matter of policy three years hand running and it would have been a good thing for the Conservative party, so far as politics are concerned, if they had endeavoured to dispose of it instead of allowing the Prime Minister to shelve the question away off into the Supreme Court of Canada and then overseas to the privy council. If the Hon. Joseph Martin and Mr. Dalton McCarthy had bungled the Manitoba school question in the way this question has been bungled by us, the Laurier government never would have come into office. When this question came up in the house on a resolution of the hon. member for Frontenac-Addington and a resolution of mine on the 16th of February, 1927, everybody was pleased with the decision of the Speaker. It may have been a fair and just decision, and I am not criticizing it, but it was received with a sigh of thankfulness and relief from the members. The decision was a life-saver and acted as a life-guard for a lot of politicians on all sides of the house who were facing this question not as a matter of law but as a matter of policy and were afraid to vote relief to these western provinces.

I see my friend the Minister of Railways and Canals (Mr. Dunning) in the house tonight. He was at one time ruling over the destinies of another province, that of Saskatchewan, where they have a similar state of affairs. The Liberal party of that province were also talking about national schools and provincial rights there. Did they ever worry the federal government in regard to these two questions? No. The Minister of the Interior (Mr. Stewart) on the opening of parliament in 1926 put into the speech from the throne a clause stating that the natural resources of Saskatchewan and Alberta would be returned to them free from restrictions. And then the government were afraid to pass the legislation set out in the speech from the throne and kept the government resolution on the order paper to prevent a discussion of the whole matter. What happened? The agreement was put on the order paper and then the hon. member for Labelle (Mr. Bourassa) had a few things to say to the Liberal party. He calls himself an independent Liberal. I did not know there were in this country any Liberals, let alone Independent Liberals. That term is a misnomer in my opinion. I am becoming more and more convinced that this government is a combination of big interests and appetites, but it is certainly not a Liberal government. The member for Labelle shut off any further discussion or help to Alberta for that session at least. He blocked successfully on February 16, 1927, consideration of the following resolution of mine:

Mr. T. L. Church (Toronto Northwest) moves that in the opinion of this house in the

best interests of confederation the time has now arrived in view of the proper economic development of western Canada when the province of Alberta should be given its natural resources free of restrictions.

This was ruled out of order and I could not get a seconder to divide the house on the ruling given on a pure question of policy. That was the time to have taken action, not now, but I could get no help then for provincial rights and national schools.

Talk about Liberalism and the days of George Brown and Baldwin and Lafontaine—do you think we would ever have had confederation if the politicians of that day had made a political football of the great issues before the country like this government is doing with the question of the transfer of the natural resources to the western provinces? If two or three years ago, when there was a general election in this country, the opposition had compelled the government of the day to make this question a question of policy and take it to the country, the people of this country on the Alberta Act would have asserted themselves, just as they did in 1896 on the great question of provincial rights and national schools.

So far as the resolution goes, it is not altogether to my liking. The resolution makes this matter a question of policy, which it really is, but it leaves things as they were in 1905. I am sorry that the hon. member for Frontenac-Addington did not join me two years ago in dividing the house on a ruling which would have made this a question of policy and given back the resources free of all and every restriction. The government of the day in this country does not govern at all, and there never was a time in the history of this country when there has been such a decline and decay in the power of parliament and the House of Commons as we have witnessed in the last five years on this resources question. No large question of policy can be settled in this house. Every troublesome question that comes along is shuffled off to the courts. In 1925 the government decided to make this question a question of law, and then it became sub judice, and if you mentioned it in the house you were ruled out of order. The same thing happened in connection with the St. Lawrence waterway and Seven Sisters falls. That question was sub judice, but notwithstanding that, a lease was granted to the Winnipeg Electric Company of the Seven Sisters falls site. If anything, that question was more sub judice than this natural resources question. The question of the Beauharnois power canal was also sub judice. The questions referred to the supreme court by the Minister of Justice as to the St. Lawrence waterway are the very ones raised in connection with the Beauharnois canal. That question, as I say, was sub judice, and yet the government almost gave a permit for 40,000 cubic feet the other day to the private interests over parliament's head. Some questions are sub judice and yet can be decided by the government, but other questions like the one before the house to-night the government are afraid of, and the courts are the haven of refuge for them.

The Liberal party in Alberta and Saskatchewan are to blame for the condition of affairs in those two provinces to-day. If the provinces of Alberta and Saskatchewan have not their resources free from restrictions, if provincial rights have been crucified, and the great issue of national schools has been crucified in those two provinces, the blame is on the Liberal party, and on the Liberal party alone, in Alberta and Saskatchewan and their representatives in this house for having made a political football of this question. They were only too glad to find in the past four years some agency like the courts to throw out the life-line to save them from settling this question.

I say, Mr. Speaker, that the question involved here will go to the people of this country in the next election. The people of this country are not going to put up with this any longer. This parliament is making a political football out of the question of the natural resources of the great province of Alberta and of the school question and not settling the problem right at all even now. It is doing the same thing with regard to Saskatchewan, and it will continue to do it so long as the Liberal party in Alberta and Saskatchewan are not forced to the polls on this great question.

The questions involved are not questions of law at all, and the privy council would very properly send the questions back to this parliament to settle in a proper and constitutional way, as a matter of policy, and without any more shuffling such as we have seen here in the last three or four years. The proposed resolution does not go far enough in my opinion but deals with this question as a question of policy. It is not and never was a question of law. The privy council decided this question, and it is now back to this house, where it belongs.

I hope we shall hear from the Prime Minister (Mr. Mackenzie King) to-night what are his

views regarding the transfer of the natural resources to the western provinces. We remember how the Liberal party acted in 1905 to destroy provincial rights. The political parties of 1905 are both to blame, very largely, in my opinion. When that system of separate schools was fastened on Alberta in 1905, it was made a football of in this house, as was the question of provincial rights. The validity of clause 17 of the Alberta Act of 1905 has never been in dispute. The Alberta supreme court has decided that it was intra vires of the legislature, and the act stood for nearly twenty years without any question raised as to its validity. The Justice department did not question the validity of the act but said there were some implied doubts. The government of Alberta had no doubt about the validity of the act. The act lasted some twenty years and was never in dispute at all, but to save this house and parliament from deciding a question of policy when an election was coming on, in 1926-27 this question was shuffled off to the supreme court, and the supreme court acted as a lifesaver for the administration. I hope the Progressives in this house will come to the support of the province of Alberta and the support of provincial rights. I do not know whether any of the Progressives in this house were in the Alberta legislature in 1905 but surely it is the duty of the Progressives to vote for a solution of this question as a matter of policy free of restrictions, and give a remedy at once. There is no question of law involved, as Premier Brownlee and the attorneys-general of Alberta and Saskatchewan have said. I understand that one of the chief planks of the Progressive platform is provincial rights, and the Progressive party in this house last year did not do so badly in the matter of provincial and public rights, as witness their stand on the Bell Telephone bill and other bills. So I look for a good vote from the Progressives to-night in support of provincial rights and the restoration of Alberta's natural resources free of all restrictions.

Mr. SPEAKMAN: Rising to a question of personal privilege, in view of the interpretation that has been placed on this resolution by the Minister of Railways (Mr. Dunning), speaking for the government to-night, and with the understanding that the investigation asked for will not jeopardize the transfer of the natural resources, with the consent of my seconder I ask leave to withdraw my amendment.

Amendment withdrawn.

Main motion agreed to.

[Mr. Church.]

NATIONAL HIGHWAYS

PROPOSED FEDERAL GRANT IN AID OF CONSTRUCTION

Mr. D. F. KELLNER (Athabaska) moved:

Whereas the need for establishment of national highways is greater than in 1919;

And whereas in that year the Dominion government recognized its responsibility in this matter by a substantial grant, which grant is now exhausted,

Therefore be it resolved that in the opinion of this house the government should consider the advisability that a further federal grant be made to cover the next five years' development of highway construction.

He said: Mr. Speaker, legislation was passed in 1919 which provided for something similar to what this resolution asks for. Under that legislation provision was made for a grant of $80,000 a year to each of the provinces, and an additional amount based upon the population of each province, involving in its entirety the sum of $20,000,000. That scheme ran for a period of several years until all the money voted under that legislation had been used or was withdrawn by the government. At the present time the opinion is largely held in the Dominion of Canada that similar legislation should be introduced and additional financial aid provided for. A resolution similar to the one I now propose was passed by the United Farmers of Alberta, and I may say that I put this resolution on the order paper at their suggestion and request. Many other organizations have taken action along the same lines. Only a day or two ago such a resolution reached me from the Alberta Hotelmen's Association. In addition I have received many private letters urging that parliament be asked to vote money for road construction. I might point out that when in 1919 parliament voted the original grant there was not the need for highways that there is to-day. At that time the automobile was not used to any great extent, and consequently there was not nearly the demand that we have to-day for expenditure on highway construction.

There is a certain body of opinion growing up throughout the country that the federal government is more or less sidestepping its obligations in this regard. We have had experience of the federal government intiating such movements as this, but after contributing to the cost for a year or two they have stepped out and left the burden entirely on the provincial governments, which find themselves unable to carry the load. I am not making this criticism in a partisan spirit, for I realize that members on both sides of the house are ready to support such legislation

as the resolution calls for; but I do think the federal government is very unfair when it starts the building of highways on a large scale and then, having led the people to believe that the grants will be continued from year to year, suddenly shifts the whole load on to the provinces. What makes it more difficult for the provinces to carry the burden is that with the steady flow of immigration into the west our provincial governments have to provide market roads, schools and other public works incidental to colonization.

There is no question but what the federal government is not using good business judgment in refusing to be a party to further expenditure on highways. For instance, national parks are being established in Alberta and the other western provinces, but no provision is made for access to them by tourists. Manifestly this is bad practice, and I am afraid that if we are to rely on the provincial governments providing the necessary roads it will be a long time before tourists and others will be able to reach these places of pleasure and beauty.

Then there is the further consideration of haulage costs. A thorough investigation in the United States has demonstrated that on a good substantial highway the cost to the farmer of hauling his grain to the railroad station is about one-third the cost of similar haulage over an ordinary dirt road. I believe this saving alone would justify the government in making a very substantial contribution towards the construction of good roads in western Canada.

To-night we have listened to a rather lengthy debate on the rights of the various provinces, and I think we must conclude that some consideration must be given to the taking of such steps as will tend to bind the provinces together into one national unit. Undoubtedly by providing main highways that will obviate the necessity of crossing over into the United States in making a trip from eastern to western Canada, we would be acting in the national interest. It is bad enough for a motorist not to be able to take a transcontinental trip across Canada; but even when he reaches the prairie provinces via the United States, if he is unfortunate enough to encounter wet weather, it is very doubtful if he will be able to make any satisfactory progress over our western roads. The expenditure of a reasonable amount of money would undoubtedly stimulate tourist traffic and be of substantial benefit to the local residents.

Let me point out that the federal government itself has a number of employees in Alberta, Saskachewan and Manitoba who use automobiles in the discharge of their official duties, and I doubt very much if it is not costing the federal treasury considerable extra expenditure on account of the time these men waste in getting out of mud holes. I recollect seeing an inspector for the Soldier Settlement Board spending days in travelling a few miles by reason of the bad condition of the roads. Therefore the federal government would benefit directly from having better roads in these provinces.

We admit that primarily the responsibility is on the provinces to build roads; but certainly it is not entirely there. These roads are more or less portions of a main highway across the country, and will benefit not only tourists but immigrants coming in from the United States and bound for the Peace River country. These roads also form part of the main highway which will enable Canadians to motor from east to west and from west to east without detouring through the United States. Now it would be unthinkable to have such main highways built in sections, a part by one province and another part by another province. I think you would have a very difficult time to get the various provinces to agree on just where and how such a road should be constructed. Manifestly the federal government must undertake the construction to get the best results.

I want to go back to a remark I made in the first place about the large number of people in Canada who are in favour of an expenditure of this kind. I fancy that if a vote could be taken on this question alone a very large majority would be recorded in support of it. I think beyond a doubt that practically every section in Canada would support an expenditure such as this resolution suggests. And when we remember that in the last analysis it is the people of Canada who provide the money—the government is, of course, entrusted with the disposition of it—their opinion must surely influence the administration. Now, Mr. Speaker, the time for adjournment is getting near at hand and I will therefore conclude so as to give to some other hon. members who are in favour of the resolution an opportunity to express their views.

Mr. G. G. COOTE (Macleod): I have very great pleasure in supporting the resolution moved by the hon. member for Athabaska (Mr. Kellner). He has stated the case very fairly and mildly. I intend to take up but a very few minutes of the time of the house. It is time that Canada had a national high-

way. In the last few years we have claimed to be a nation and yet we have no highway; we have not even a road over which the people of eastern Canada can travel to the west or the people from the west visit the east. There is a large section of country in northern Ontario through which we have no highway at all.

I believe it is Henry Ford who has said that there is nothing in history which has contributed so much to the education of the people as the automobile. A good many people who never got away from home before are now using their cars, and I do not think there is anything that educates the people so much as getting away from their own locality and seeing some of the other sections of their own country. There are many people living in eastern Canada who perhaps will never visit the west until we provide a highway for them.

Let me suggest to the Minister of Finance (Mr. Robb) that we have a very good reason for asking him to make further provision for federal aid to highways. The minister has for several years—in fact, ever since he became minister—maintained an excise tax on automobiles. The automobile to-day is a necessity, and I do not know of any other necessity in Canada which is singled out for an excise tax. For the fiscal years from 1919 to 1927 inclusive the federal government has collected through the excise tax on automobiles the sum of $34,722,000; and in that period it has given to the provinces, by way of federal aid to highways, the sum of $20,000,000. That leaves on hand in the treasury the sum of $14,722,000 as the balance realized from the excise tax on automobiles. Automobiles are no good to anyone unless there are roads over which to run them. The federal government has not contributed a dollar towards the construction of highways except through this federal aid to provincial highways, and I think that the federal government, since it has singled out the automobile for excise tax, should at least continue federal aid to highways until it has expended all the money which has been collected through that tax. I do not think the government can find any good excuse for retaining this excise tax on automobiles unless it makes some such disposition of the money.

May I direct the attention of the minister to a comparison between the aid which this government has given to the provinces for highways and the aid given by the federal government in the United States for the same purpose. In this country we have contributed $20,000,000 as federal aid to highways; in the United States they have granted $650,000,000 in federal aid to highways. The comparison is very much in favour of the United States government, even when you take into account their large population, the wealth of the country and the revenues of that government.

Our government has assured us in the speech from the throne that the country is very prosperous, and I believe it could afford now to bring in another bill for the purpose suggested in this resolution. That is the way it should be done; there should still be a bill providing for further aid to these highways. It might be wise in that bill to see that some provision is made for the construction of this all-Canadian highway, which we might call Jubilee highway. It would be a splendid way of celebrating the jubilee of confederation.

The Minister of Finance is certainly very careful of the treasury; he is taking good care to see that it is not raided by the provinces in connection with highways. I heard someone suggest not long ago that he should be known as the Scotch Minister of Finance; he was getting to be about as careful as the Scotchman who refused to send his children to school because, as he said, they had to "pay attention." I do hope that the Minister of Finance will open his heart a little and use some of this money he is collecting in these prosperous times to grant further aid to highways, especially in view of the fact that he holds in the treasury possibly fifteen or sixteen million dollars which he has collected through the excise tax on automobiles.

Hon. J. A. ROBB (Minister of Finance): In twenty years' experience in this house I have observed that we generally start the session with resolutions advising the government to spend more money, and sometimes, even recently, we have closed the house with resolutions condemning the government for spending so much money. We are starting this year true to form; I do not know how it will end. I do not know whether we shall have similar resolutions in the last days of the session, finding fault with expenditures, or whether the house will unanimously approve of the estimates that we have presented.

Now it is an easy matter, it is popular, in districts to suggest the spending of government money; every member of parliament knows that. Those of us who are in parliament, whether we sit to the right or to the left of the Speaker, when occasionally we have to face the electors are condemned by our opponents because we have been so long

in the house and have never got anything for the county. The duty of the Minister of Finance is to see to it that there is a proper balance and that the country gets along without going into the money markets to borrow. When the highways bill was introduced in 1919, I believe, the then minister of railways, who brought in that measure, offered certain reasons why we should give aid to highways. I recall that at that time two hon. members from western Canada challenged the constitutionality of voting money for highways. The matter never was pressed, but I remember that the issue was raised as to whether this federal parliament should vote money for that purpose, and it was pointed out that under the bill we were not only authorizing the expenditure of money by this parliament but were compelling the provinces to spend more money and consequently increase their rates of taxation. At that time the principal reason given for aid to highways was that it would provide a source of employment for returned soldiers, many of whom were out of work; it was argued by the then government that the expenditure of money in this way would aid employment throughout Canada. It was also pointed out that it would increase the tourist traffic, bringing more people to our country and increasing the expenditure of money here.

The conditions which prevailed in 1919 are quite different from those prevailing to-day, Mr. Speaker. In 1919 we had not quite realized the enormous debt of the country; we had not realized that every year the amount of money required for pensions would be increased; we had not realized that in 1928 we would have to write off some $16,000,000 which the returned soldiers claimed they had overpaid in the purchase of land and equipment for their farms. In 1919 the provinces did not have the revenues they now enjoy, and let me submit—not by way of reading a lesson but as a statement of fact—that we are elected to this house to look after federal finances and not to secure more money for the provinces to spend. Putting it before you in that way, as federal members elected by the people to look after federal finances, I submit that to-day the provinces are in a comparatively better position financially than the Dominion. The provinces have none of the expenses of the war to look after; the provincial bills for pensions to returned soldiers are not growing every year; the provinces do not have to pay interest on the enormous war debt of Canada, and because of the prosperity prevailing throughout Canada the provinces are now enjoying a much larger revenue than they did in 1919. My hon. friend sitting beside me reminds me that the provinces have a further revenue from the liquor trade. I am not questioning that; it is perfectly legitimate business authorized by the people, and each province reports a profit from that trade.

Mr. LADNER: Does not the federal government really derive a much larger profit from the liquor through the excise tax than the provinces get?

Mr. ROBB: We do not advertise it. In 1919 the provinces received no revenue at all from the gasoline tax, and according to the records this tax is paid largely by the tourist traffic.

Some hon. MEMBERS: No, no.

Mr. BENNETT: That is not so in the west.

Mr. ROBB: That is true to a large extent. In 1919, as I say, no province had a revenue from the gasoline tax. In that year the provinces received a total revenue from automobile registrations of about $4,667,000; in 1927 that revenue had increased to roughly $15,573,000, and they had a total revenue from automobiles, including the gasoline tax, of about $22,810,000.

Mr. ARTHURS: Will the minister permit a question? Will he compare the Dominion revenue from automobiles for the same periods?

Mr. ROBB: Is my hon. friend here in defence of the provinces or is he speaking for the federal treasury?

Mr. ARTHURS: That is a fair question.

Mr. ROBB: I repeat that the revenues received by the provinces from the automobile trade have increased enormously, and it is not fair to argue that there are no good roads in Canada. The records show that as compared with 1919, when there were comparatively few good roads in Canada, on March 31, 1927 we had about 82,000 miles of improved earth roads, about 50,000 miles of gravel roads and 6,889 miles of macadam, asphalt and concrete roads. So we have pretty good roads throughout Canada, and these good roads have brought an enormous tourist traffic to Canada. When the Minister of Railways pointed out in 1919 that this work would give employment to returned soldiers and would result in an increased tourist trade he was probably quite correct, because the estimated statistics of the tourist traffic last year show that tourists coming into Canada spent in this country about $200,000,000, and

it is estimated by the dairy commissioner that they consumed about 15,000,000 pounds of butter.

Every person wants good roads; this government wants good roads, but in all seriousness I submit to hon. gentlemen that having in mind the obligations which we have to meet, the interest on our war debt, our increasing pension bill, which, if hon. gentlemen have had time to look at the estimates tabled to-day, will be seen to be much larger than last year—

Mr. BENNETT: Why?

Mr. ROBB: Because a board appointed by a joint committee of this parliament recommended increases which have run up the pension bill, and I am not sure that they may not meet again this year and recommend further increases. I would remind hon. gentlemen that because of a resolution brought in by a joint committee of this parliament no later than last year we wrote off $16,000,000 of debt.

Mr. ARTHURS: Bad debts.

Mr. ROBB: Bad debts if you will; the soldiers alleged they were very bad debts, being the excessive prices paid for land and equipment bought since the war. Under these conditions I ask hon. members if it is fair to urge the government to increase the expenditures and tax the people for something which every person admits properly belongs to the provinces.

Mr. LADNER: May I ask the minister a question? During the history of our transportation development it has been recognized as an obligation upon the Dominion to aid railways in their construction to bring about communication between provinces. Would the minister say that the same principle should not apply to highway transportation between the different provinces?

Mr. ROBB: My hon. friend knows very well that there have been no such grants in recent years.

Mr. LADNER: Because there have been no railways needed.

Mr. ROBB: I am told by the Minister of Railways that applications come in quite frequently.

Mr. DUNNING: I had one only last week.

Mr. ROBB: But it is the policy of the government not to grant them, and I think it was the policy of the previous administration.

[Mr. Robb.]

My hon. friend (Mr. Kellner) was elected as a federal member and he has voiced the opinion of his part of the country very frankly in saying that he is doing it at the request of an organization of hotel-keepers which met and passed a resolution that the government give assistance. Other organizations have met throughout the country and have urged that we give grants to education. We would like to give grants to education, but we come back to the real point: The constitution determines what are properly federal obligations and what are properly provincial obligations. Until we have reduced the debt further and have been able to reduce the taxes upon the people, it seems to me that this matter might very well stand. For that reason I shall vote against the motion.

Hon. R. B. BENNETT (Leader of the Opposition): I have listened to the hon. Minister of Finance (Mr. Robb) this evening and he certainly has not put forward any good reason why this grant should not be made. We are federal members dealing with interprovincial matters, and what is sought is aid to interprovincial highways. No one is seeking aid for local highways throughout the provinces; the words used by the hon. member (Mr. Kellner) in his resolution are "national highways". He is not seeking aid for little ten-mile highways running out of the villages; he is seeking recognition on the part of this parliament of the federal obligation with respect to highways.

The federal obligation with respect to highways is different to-day from what it was when the constitution was framed in 1867. Transportation is an entirely different thing from what it was then. In those days we had no motor cars, we had no bus lines, nor did we have any improved highways in the sense in which we use that term. If the minister will reflect a moment it will be abundantly clear to him that the bus lines of to-day take the place of the pioneer railways of yesterday. Bus lines are being operated from one part of this country to the other; they run not only within provinces but from one province to another. In the days gone by we aided the construction of railways through subsidies of $2,000 to $6,000 a mile in order that new territory might be opened up and transportation facilities provided for the pioneer. This new method of general transportation by motor vehicles, and the providing of facilities for tourists to travel in their own cars from one end of the country to the other, should be aided by a federal grant. In doing this no difficulty from a

constitutional standpoint is involved, because, as was stated by the Minister of Justice (Mr. Lapointe) not long ago, it is a recognized constitutional axiom that this parliament may grant money for any purpose it desires. It has the right to collect taxes by any method, and it has the right to allocate those revenues to any particular purpose it may select. It may be a highway to-day, it may be education to-morrow; it may be the Boy Scouts, it may be the Girl Guides, or it may be some organization in Toronto which is looking after the health of the people. This parliament can in its wisdom and in the exercise of its discretion grant money for any purpose it pleases, whether it be in a province or a municipality or otherwise. Only last year the minister himself submitted to us an estimate by which a large sum of money was granted to erect some cribbing work to prevent the water wearing down the banks of a river. It was said by some that this was purely a provincial or municipal matter, but parliament has the right to do as it pleases with the money collected from the taxpayers, and the grant was made.

The minister has very properly said that the government will be held liable for the soundness of the discretion exercised and the wisdom displayed in the expenditure of the public money. There is no doubt about that. The Minister of Finance is the custodian of the public money; he is the keeper of the purse-strings of this country, and the government, with his guidance, must exercise its judgment and its discretion on the soundest possible line for the benefit of Canada as a whole. The minister invited us, as federal members, to consider our responsibility in the matter. I desire to remind him that our responsibility is not provincial, it is for Canada as a whole. In what better way could we help Canada than to make a substantial grant in aid of national highways?

I put the following argument to the minister, and it seems to me that he should appreciate it more than any other member in this house: It has been stated that over $200,000,000 was brought into this country by tourists during the last year.

Mr. RYCKMAN: That is a very low estimate.

Mr. BENNETT: I believe it has been put as high as $225,000,000.

M. RYCKMAN: Two hundred and sixty million.

Mr. BENNETT: I will put it at $200,000,000 for the sake of argument. Does the Minister of Finance realize that that $200,000,000 redressed an adverse trade balance with the United States of America to the extent of practically that amount? Does he realize that that $200,000,000 brought in here from the United States made possible the maintenance of the Canadian dollar at par? Does he realize that every time an American tourist wrote out a cheque on an American trust or express company he was providing a sum which went to cancel an adverse balance against this country in the clearing houses of New York? That $200,000,000 is available in New York for the purpose of extinguishing our obligations for the payment of interest on municipal and provincial debentures. That is an important matter, and I suggest to my hon. friend the Minister of Finance that if he will consult with the financial men of this country he will ascertain that the expenditure of that sum of money in Canada by these tourists had a very marked effect upon our exchange. If the Canadian dollar is maintained at par through this means, is it not important that this money should be expended? If that be so—and I think the minister will find it is true if he will consult the officers of his own department or the bankers of this country—then the providing of efficient means of transportation will return very subtantial results through the increased tourist trade. I have no diffidence in saying that if support is thus given to a national highway system—not provincial highways but highways between provinces, national in their character; if the Minister of Finance will appropriate a number of millions of dollars, probably in the supplementary estimates of this year, I am satisfied that the benefit to Canada will more than offset the expenditure made.

I confess that I have given more than a little attention to analyzing the figures with respect to the matter. It is not easy to put your finger on a given item of taxation and say: that has resulted from a certain expenditure made by the federal or the provincial treasury. It is not right to say that the gasoline tax, for instance, is able to take care of interprovincial obligations. The provinces have increased burdens imposed upon them by reason of the changed conditions under which they have to function and carry on government.

When the present Minister of Railways and Canals (Mr. Dunning) first undertook obligations in Saskatchewan, conditions had made much advance over what they were in 1905, but the advance in 1929 over conditions that existed when he took hold is as great as the

preceding advance. We are steadily increasing the obligations of the provinces, the municipalities, and the only way in which one can hope to enable them to be in a position to provide great interprovincial systems of highways or roads that may be available for international traffic, for transportation for tourists, and thereby increase, as I have said, not only the ability of the people to pay, but the ability of the tourists to make their contribution to the adjustment of the adverse balances in connection with exchange, is by the Dominion itself making substantial contributions for the construction of those systems of national highways.

I would urge the minister to reconsider his attitude before he lightly asks parliament to vote down the resolution. It occurs to me that on mature consideration he will realize that this is not simply a grant given to a province, not a mere contribution, but an investment made by the Dominion of Canada that will pay large dividends and in a very short time, because of the increased sums that will be expended in this country and the greater purchasing power that will be made available for our citizens, repay the whole expenditure that may be made. The question of the amount received from excise taxes, sales taxes and matters of that kind I leave from my argument as being entirely beside the question. I put it on the broad, national ground of benefit to the country as a whole, the increased ability of the people to pay, and adjustments, by reason of increased tourist traffic, of adverse exchange balances.

Mr. ROBB: My hon. friend admits now that the people are better able to pay.

Mr. BENNETT: Did I not the other afternoon say that the people were better able to pay? Did I not say that by reason of the vast crops of the country the people were better able to pay because of the larger purchasing power they have? Does the hon. gentleman for a single moment think any hon. member, because he happens to sit to the left of the Speaker, is not conscious of the fact that the vast crops have increased the ability of the people to pay? I am not the kind of gentleman he would make of himself if he sat to the left of the Speaker, because certainly he thinks it the duty of us to deny what every man who has eyes to see and ears to hear can observe. I am not one of those of whom it is said: "Eyes have they, but they see not: they have ears, but they hear not," lest seeing they might believe, and hearing they might understand. The very fact that the people have had that increase in prosperity and purchasing power on account of the increase in agricultural wealth in Canada is an additional reason why more highways should be established to facilitate transportation, facilities that twenty-five or thirty years ago were railway facilities, that to-day are motor car facilities and that can be provided at this time only by aid from the federal exchequer.

Miss AGNES MACPHAIL (Southeast Grey): I can say what I want to say on this subject before eleven o'clock. I think we all admit that one of the difficulties in Canada is that it is divided into two sections, one of which is cut off from the other, and surely the building of a highway would do something at least to hold Canada together as a unit. That spirit should find some expression, and I cannot think of a better way to do it than to build this highway. Those westerners who once lived in eastern Canada always used to come back in the winter time; but now since the automobile is so widely used they like to return in the summer, and this summer I heard at least a score of Canadians living both in the east and in the west say this very thing, namely, that they disliked having to go out of their own country in order to cross their own country. This is a condition which should be remedied.

While I am often convinced by the very sane arguments of the Minister of Finance (Mr. Robb), I could not say that his speech to-night was very convincing. There were some expenditures of the last few years that he very carefully left untouched. If the Minister of Finance wanted to save money he could have done so last year in regard to the Quebec harbour vote. Everybody in Canada admits that a great deal of money was spent that need not have been spent. Parliament tried to stop it but the government would not have it stopped. The Holt-Gundy interests asked for a sum greater than $200,000 to dredge a channel from their harbour out to the main stream of the St. Lawrence, but they got that amount. Those are just two items that occur to me where money could have been saved. I am also reminded of the Ottawa Improvement Commission grants which amounted to quite a lot.

If we want more money, let us put the income tax back where it was two years ago. There is no reason why people with an income should not pay a tax on it. The bigger the income, the less they want to pay the tax, but the more we should see that they do pay it. If they pay the tax and if we save money on expenditures that are not necessary,

we certainly could build a highway across Canada. It would be a very good thing if Canadians knew more about their own country. I have often thought if hon. members who live in the east knew more about the west, and the other way around—particularly that way—it would be a splendid thing. If we had a highway, as almost everyone has a car, it would do very much to bring about a better feeling throughout Canada by making it possible for Canadians to know their own country. "See Canada first" might well become our slogan.

Mr. JAMES ARTHURS (Parry Sound): In the year 1919 a resolution was passed in the house covering a grant of $20,000,000 for highways to be expended over a term of five years. This was the first movement in favour of good roads in the Dominon of Canada and it has had a Dominion-wide effect. The result is that the good roads movement was started and the provinces have spent or are spending forty or fifty times the amount of the original grant.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, February 19, 1929

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 35, to incorporate The Ukrainian Greek Orthodox Church of Canada—Mr Luchkovich.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINES

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to bring in measures to provide for the construction prior to the 31st day of August, 1932, of the following Canadian National Railway branch lines:—

1. From a point on the Murray Harbour branch to a point on the Georgetown subdivision of the Canadian government railways in the province of Prince Edward Island. Estimated mileage, 10; average expenditure per mile, $37,000; estimated cost, $370,000.

2. From Sunnybrae to Guysborough, in the province of Nova Scotia. Estimated mileage, 67; average expenditure per mile, $52,238; estimated cost, $3,500,000.

3. From a point on the Dundas subdivision near Brantford to a point on the Dunnville subdivision near Cainsville, in the province of Ontario. Estimated mileage, 6·1; average expenditure per mile, $221,311; estimated cost, $1,350,000.

4. From a point on the Garson branch to the Falconbridge mine, in the province of Ontario. Estimated mileage, 4; average expenditure per mile, $46,250; estimated cost, $185,000.

5. From a point on the Sudbury branch to a point in the township of Fairbank, in the province of Ontario. Estimated mileage, 25; average expenditure per mile, $74,000; estimated cost, $1,850,000.

6. From a point near Melfort to a point near Aberdeen, in the province of Saskatchewan. Estimated mileage, 89; average expenditure per mile, $31,460; estimated cost, $2,800,000.

7. From a point near Central Butte or Mawer to a point in township 18 or 19, range 10 or 11, west of the third meridian, in the province of Saskatchewan. Estimated mileage, 50; average expenditure per mile, $36,000; estimated cost, $1,800,000.

8. From Neidpath to a point on the Canadian Pacific Railway near Swift Current, in the province of Saskatchewan. Estimated mileage, 31; average expenditure per mile, $38,709; estimated cost, $1,200,000.

9. From Ridgedale, in the province of Saskatchewan, thirty miles towards The Pas, in the province of Manitoba. Estimated mileage, 30; average expenditure per mile, $36,666; estimated cost, $1,100,000.

10. From a point near Unity to a point near the provincial boundary in township 36 or 37, in the province of Saskatchewan. Estimated mileage, 50; average expenditure per mile, $35,000; estimated cost, $1,750,000.

11. From a point near Hamlin to a point near Glenbush, Medstead or Robin Hood, in the province of Saskatchewan. Estimated mileage, 33; average expenditure per mile, $34,848; estimated cost, $1,150,000.

12. From St. Walburg, in the province of Saskatchewan, to Bonnyville, in the province of Alberta. Estimated mileage, 117; average expenditure per mile, $36,000; estimated cost, $4,212,000.

13. From Alliance to a point near Youngstown or Dobson, in the province of Alberta. Estimated mileage, 82; average expenditure per mile, $36,000; estimated cost, $2,952,000.

14. From a point at or near Bulwark to a point in township 38 or 39, range 8, west of the fourth meridian, in the province of Alberta. Estimated mileage, 25; average expenditure per mile, $35,000; estimated cost, $875,000.

15. From Hemaruka to Scapa, in the province of Alberta. Estimated mileage, 41; average expenditure per mile, $35,000; estimated cost, $1,435,000.

16. From a point near Swift Current to a point near Tete Jaune, in the province of British Columbia. Estimated mileage, 12; average expenditure per mile, $60,000; estimated cost, $720,000.

17. From New Westminster to a point on Lulu island, in the province of British Columbia, with branches therefrom. Estimated mileage, 29; average expenditure per mile, $51,724; estimated cost, $1,500,000.

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

Motion agreed to.

RAILWAY ACT AMENDMENT

RAILWAY GRADE CROSSING FUND

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved that it is expedient to amend the Railway Act and to provide for a grant to the railway grade crossing fund of $200,000 per year for ten consecutive years from April 1, 1929.

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

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

Mr. GEARY: Mr. Speaker—

Mr. DUNNING: Not debatable.

Motion agreed to.

INTERNATIONAL PEACE

MULTILATERAL TREATY FOR THE RENUNCIATION OF WAR

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

That it is expedient that parliament do approve of the general treaty for the renunciation of war, which was signed at Paris, on the twenty-seventh day of August, nineteen hundred and twenty-eight, on behalf of His Majesty for the Dominion of Canada by the plenipotentiary named therein, and that this house do approve of the same.

And that a message be sent to the senate to acquaint their honours that this house unites with the senate in the approval of the above-mentioned treaty;

And that the clerk of the house do carry the said message to the senate.

He said: Mr. Speaker, this resolution asks the approval by the House of Commons of the general treaty for the renunciation of war which was signed at Paris on August 27 last year. Approval has already been given to a similar resolution by the senate of this parliament. The British government and the governments of the several British dominions and India have all expressed approval of the treaty, and at least sixty-two of the sixty-four nations of the world have intimated their intention to adhere to its provisions.

I might say a word as to the genesis of the treaty, although I imagine that to most hon. members the story is already a familiar one. The treaty had its origin in a communication from M. Briand, the Minister of Foreign Affairs of France, to the Secretary of State for Foreign Affairs of the United States, Mr. Kellogg, which communication was sent on April 6, 1927, the tenth anniversary of the entrance of the United States into the Great war. In that communication the Minister of Foreign Affairs of the French republic suggested to the Secretary of State of the United States that the two republics should join together in a treaty which would formally renounce war as a means of settling any of their controversies in the future. After its receipt, due consideration was given this communication by Mr. Kellogg, the Secretary of State, and before the year 1927 was out Mr. Kellogg suggested to the Minister of Foreign Affairs of the French republic that the different nations of the world should be invited to become parties to such a treaty: in other words, that any agreement reached should not be one confined to the two countries but should be enlarged in a manner which would enable all the countries of the world to participate in it. It was agreed that in the first instance the great powers should be asked formally to become signatories to the treaty, and at the time consideration was being given the matter by the great powers, it was decided that separate invitations should be sent to the self-governing dominions and to India in addition to the government of Great Britain. Accordingly, invitations were sent to the six great powers and to the dominions and India. It was then decided to go a step further and include all the nations which had become parties to the Locarno treaties. Altogether fifteen different countries were invited to become signatories to the original treaty. All these countries accepted, and on the 27th day of August the treaty was formally signed at Paris. That, in outline, is the story of the formal presentation of the matter.

The fundamental origin of the treaty lies, I think, much deeper than anything that appears on the surface. It is to be found in a general feeling of revolt against war on the part of all nations which in the recent past have had to do with war. There is a general feeling that war has become futile and obsolete as a method of settling any question which may arise between countries, and that if ever war were resorted to again as a means of settling controversies between nations it would be of a character more hideous than possibly the human mind can conceive, and that the perverted ingenuity of science would be used to cause the destruction of cities by means of bombs from the air, poison gases and the like, so that whole communities would be wiped out; in other words, that war will annihilate civilization unless civilization undertakes to annihilate war. That is the funda-

mental feeling which, I believe, the nations of the world have had since the recent Great war; and this treaty is one expression of the various attempts which the nations are making to prevent in future, if possible, any recurrence of the kind.

There is no royal road to peace, but there are many paths which lead in that direction, and the Briand-Kellogg pact is one of those paths. The movement towards peace has had several important manifestations since the Great war, the most important being, perhaps, the formation of the League of Nations. That league, by bringing together some fifty different countries to meet in conference every year, has established a means of creating public opinion and enforcing that opinion in the relations of nations one to another as to the manner in which their controversies shall be adjusted. It has also provided practical means of settling controversies between nations. It has established an organization for publicity which lends effectiveness to the instruments of peace which the league has provided. It has come to have a recognized place in the world as a forum before which the highest interests of nations will be served. In addition to the League of Nations, there are the various treaties for conciliation and arbitration which have been enacted between nations as a means of settling their differences; there have been important international conferences; and there has been considerable progress in the movement towards disarmament. It is true that the progress made towards disarmament has not been as rapid as many would wish it to be; nevertheless considerable progress has been made, and one of the reasons why this treaty should appeal to the nations of the world is that once it goes into force, all nations having declared that they will renounce war as an instrument of national policy, it should be easier for the forces working for disarmament to establish the reasons why disarmament should rapidly follow a treaty of this kind.

Now as to the treaty itself: it is a contribution to this peace movement, another expression of the will to peace—a contribution in two particulars: first, in the formal renunciation which is made by the nations of an appeal to anything in the nature of war as an instrument of national policy; and, secondly, in the wide acceptance of the terms of the treaty itself. As I have stated, sixty-two nations out of sixty-four have indicated their intention of adhering to the treaty; the only two countries in the world which, so far, have not expressed a favourable opinion or given any opinion are the Argentine and Brazil. The treaty has the merit of being very brief and very direct; indeed, brevity and simplicity must in the nature of things be a part of any agreement which seeks to gain the adherence of all the nations of the world. It is in the main a statement of principle; it does not pretend to establish machinery which will prevent war, but it does call forth from the nations of the world a solemn renunciation of war as an instrument of national policy.

It would be well, I think, for me to put on record the few words which constitute the preamble to the treaty, together with the three articles constituting the treaty itself. They convey, better than any other words possibly could, the full conception of the treaty and its significance. After enumerating the heads of the different nations who have expressed their willingness to become parties to the treaty, the preamble reads:

> Deeply sensible of their solemn duty to promote the welfare of mankind;
>
> Persuaded that the time has come when a frank renunciation of war as an instrument of national policy should be made to the end that the peaceful and friendly relations now existing between their peoples may be perpetuated;
>
> Convinced that all changes in their relations with one another should be sought only by pacific means and be the result of a peaceful and orderly process, and that any signatory power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by this treaty;
>
> Hopeful that, encouraged by their example, all the other nations of the world will join in this humane endeavour and by adhering to the present treaty as soon as it comes into force bring their peoples within the scope of its beneficent provisions, thus uniting the civilized nations of the world in a common renunciation of war as an instrument of their national policy;
>
> Have decided to conclude a treaty—

Then follow the names of the respective plenipotentiaries of nations appointed to sign the treaty, together with the statement that—

> —having communicated to one another their full powers found in good and due form have agreed upon the following articles:

And the articles of the treaty then appear as follows:

> Article I
>
> The high contracting parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.
>
> Article II
>
> The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

Article III

The present treaty shall be ratified by the high contracting parties named in the preamble in accordance with their respective constitutional requirements, and shall take effect as between them as soon as all their several instruments of ratification shall have been deposited at Washington.

This treaty shall, when it has come into effect as prescribed in the preceding paragraph, remain open as long as may be necessary for adherence by all the other powers of the world. Every instrument evidencing the adherence of a power shall be deposited at Washington and the treaty shall immediately upon such deposit become effective as between the power thus adhering and the other powers parties thereto.

It will be seen from the terms of the treaty as I have read them, Mr. Speaker, that its objective is to focus the opinion of the world upon resort to war as an obsolete method of settling controversies between nations and to create a solemn covenant which binds the nations of the world not to go to war with each other as a means of settlement or solution of the disputes or conflicts which may arise among them, but to settle their differences by pacific means.

Perhaps I might say a word or two as to the actual signing of the treaty itself. As hon. members know, the several signatories met at Paris on August 27 of last year. The treaty was presented for signature in the famous clock hall—the Salle de l'Horloge—in which in former years had assembled those who had to do with the drafting of the terms of what ultimately became the treaty of Versailles, and in which also were drafted the terms of the League of Nations which became subsequently a part of that treaty. There was very little of note in the ceremony itself beyond an address by M. Briand, the Minister of Foreign Affairs of France, which set out in clear and memorable language the purposes of the treaty and the objects which it was expected to serve.

There were, however, two attendant incidents which I think were of the greatest interest to all who had the privilege of witnessing this ceremony, two incidents which were of real significance. The first was that on that occasion over the ministry of foreign affairs of France there floated the flags of every nation of the world. Never before in the history of the world, so far as I am aware, have the flags of all the nations floated over the foreign office of any government. This was intended by France to be a symbol to the world of what is aimed at by this treaty, namely, an effort to bring together all the nations as signatories to its terms. The other incident, which perhaps was even more significant, was the meeting immediately prior to the signing of the treaty in the ministry of foreign affairs of France between the Minister of Foreign Affairs of that country and the Minister of Foreign Affairs of Germany. For the first time in over half a century a German Minister of Foreign Affairs was received on the soil of France. That act was intended to demonstrate on the part of France her desire to begin the new era which it is hoped this treaty may serve to inaugurate by an open expression of friendliness towards the nation with which she recently had been at war.

After the treaty was read and the gathering had been addressed by M. Briand who, as the house will recall, had been Premier of France during the crucial period of the Great war, the treaty was signed by the various signatories representing the different countries. The first to sign the treaty was Doctor Stresemann, the German Minister of Foreign Affairs. He was followed by the Secretary of State of the United States, then by the Minister of Foreign Affairs of Belgium, then by M. Briand and then by Lord Cushendun as the representative of Great Britain. Following Lord Cushendun the representatives of the several British dominions and of India affixed their signatures, and they were followed by the representatives of Italy, Japan, Poland and Czechoslovakia. The fifteen signatures there affixed constitute the total of the original signatures to the treaty, but as the house will have noticed, one of the terms of the treaty was to extend an invitation to the other nations of the world to become parties to it, and as I have indicated practically all the nations of the world have already expressed their intention of adhering.

For the purposes of record in this parliament, I would like to read to the house, with its permission, one or two extracts from the speech delivered by M. Briand on that occasion. They are memorable words, doubly so when one recalls by whom they were uttered and the circumstances under which they were delivered. In the course of his memorable address M. Briand said:

It will, I hope, be no exaggeration to say that to-day's event marks a new date in the history of mankind. . . .

For the first time, and on a general plan that is open to all the nations of the world, a congress of peace has done something more than make a political settlement of the immediate conditions brought about by some particular peace imposed as the results of war. For the first time, on a scale as absolute as it is vast, a treaty has been truly devoted to the very establishment of peace, and has laid down laws that are new and free from all political considerations. Such a treaty means a beginning and not an end. We have not met to liquidate a war. The pact of Paris, born of peace and breathing freedom and law, is of its nature a true treaty of concord.

Then, a little later M. Briand said:

The essential feature of the pact is that for the first time, in the face of the whole world, and through a solemn covenant involving the honour of great nations who all alike have behind them a sad record of political conflicts, war in its most specific and dreaded form—selfish and wilful war which has been regarded from of old as springing from divine right and has remained in international ethics as an attribute of sovereignty—has been at last deprived by law of what constituted its most serious danger, its legitimacy. For the future, branded with illegality, it is by mutual accord truly and regularly outlawed so that a culprit must incur the unconditional condemnation and probably the hostility of all his co-signatories. It is a direct blow at the institution of war, a blow against its very life.

It is no longer a question of a defensive organization against this scourge, but of attacking the evil at its very root. War as a means of arbitrary and selfish action, is no longer to be deemed lawful. No longer will its threat hang over the economic, political and social life of peoples. Henceforth the smaller nations will enjoy true independence in international discussions. Freed from their old bondage, the nations that have signed the new contract will gradually abandon the habit of associating conceptions of national prestige and national interest with the idea of force; and this single psychological fact will not be the least important element in the evolution there is needed for the final stabilization of peace.

Then, concluding his address, M. Briand said:

Gentlemen, in a few moments the cables will be telling the entire world of the awakening of a great hope; and from now on it must be our sacred duty to do all that can be done so to bring it that that hope may not be disappointed. Peace has been proclaimed, and that is well. That is much. But peace has yet to be organized. For settlements by force we must substitute settlements by law. That must be the work of to-morrow.

At this unforgettable hour the conscience of peoples, freed from all national egotism, is making the truest of efforts to reach those high regions where human brotherhood can be felt in the beatings of one and the same heart. Let us seek a common ideal within which we can all merge our fervent hopes and put away all selfishness. There is no country represented here that has not poured out the blood of its children on the battlefields of the last war. I ask you to dedicate to your dead, to all those who died in that great war this solemn agreement which we are now about to consecrate with our signatures.

It may be asked: What is to be the binding force of this treaty? If the words of M. Briand in concluding his address, do not constitute a force sufficient to bind the nations that have affixed their signatures to it, I question if any force can be discovered in the whole world which will serve that end. In the name of the multitude of their dead, the nations that have signed this treaty have pledged their honour in the face of mankind never again to resort to war as a means of settling controversies between them. Surely, if there is such a thing as national honour existing, this treaty must hold a large place in the future of the world.

May I say a word in regard to the relation of this treaty to the League of Nations. There are some who are of the opinion that the League of Nations has gone as far as it is possible to go in the endeavour for peace, and that possibly this treaty was therefore unnecessary. But when one reflects on what the League of Nations has accomplished, great as it is, it will be found that there are one or two important gaps in its endeavour to prevent resort to arms as a means of settling international controversies. In the first place, the League of Nations does not include within its membership all the nations of the world. The United States, which is a signatory to this treaty, is not a member of the League of Nations. Neither are one or two other countries that have become signatories to this treaty or will become adherents to it. There is one important gap closed. Virtually all the countries, whether they be in the League of Nations or not, have agreed by this treaty to renounce war as an instrument of national policy.

Hon. members will recall that under the terms of the covenant of the League of Nations a nation may at a certain stage resort to war. It has even been held by some that the covenant is so worded as to make war permissible. That is a debatable point, but this much is clear: That the league provides that where war is threatening between nations, if they are parties to the covenant they must first of all submit their differences to the council of the league, but in order to restrain the parties the award of the council must be binding. If the council is unable to make a binding agreement there then comes as the next step the possibility of war. Even where the council is unanimous, the provision restraining countries from war does not extend beyond a period of three months after the decision has been given. It is hoped that within that period of time passions will have cooled and means will have been found of adjusting the differences between the nations that have referred their difficulties to the league. That gap also has been closed by this treaty for the renunciation of war, inasmuch as under the terms of this treaty even those nations who are parties to the covenant of the league have gone a step further in agreeing formally to renounce war at any and all times.

There is no doubt that the work done by the League of Nations during the last ten

years has in large part been responsible for this treaty coming into existence. It is hardly conceivable that the nations that have signed this treaty would have come to the frame of mind in that time which would have permitted them to sign so far-reaching a document, had it not been in part at least for the educational work, which has been carried on by the league. So far as the league is concerned its work is supported and supplemented by this treaty. As M. Briand said elsewhere in his speech, referring to the insurance against war given by the league, there is "reinsurance" in this treaty. The league is reinsured in its work in the prevention of war by the treaty for the renunciation of war.

The work of the league has been helped immensely in another particular. Now that all the nations of the world have stated that they will formally renounce war as an instrument of national policy, and will settle their differences only by pacific means, the work of the league to discover pacific means which will settle the differences between nations gains a new emphasis and importance. The work of disarmament, to which the league has been devoting so much of its efforts during recent years, will attain a new significance. With the nations committed on their honour never to resort to war, obviously the necessity for competitive armaments has been lessened materially, if not altogether obliterated. In this regard may I read a few paragraphs from the speech delivered by Lord Cushendun, the representative of Great Britain at the League of Nations, in which reference is made to this particular treaty and its significance so far as the work of the league is concerned. I think Lord Cushendun's speech admirably sets forth the relation of the two, and the purpose which the treaty should serve in supplementing the splendid work of the league in the cause of peace. Speaking on behalf of Britain on September 11, at Geneva, as Acting Secretary of Foreign Affairs, Lord Cushendun in the course of his remarks said:

> In the great and eloquent oration delivered here yesterday by M. Briand there was no passage which I admired so much as that in which he spoke of the spirit of peace as the flower of the world which must not be allowed to wither or fade. But if that flower is to be kept fresh we must water it with our confidence—confidence, not merely in the ideals that we profess, but in the sincerity with which each of us is striving to attain them. What the world chiefly needs to-day, in my judgment, is to cast aside suspicion and distrust as between nation and nation, and not merely to feel greater confidence in each other, but to display it; and I believe that this will be one of the results to be achieved by the great venture of faith which was entered upon in Paris a fortnight ago. I have very little doubt that this treaty renouncing war as an instrument of national policy will thus give a very wholesome stimulus to the process of international disarmament.
>
> But do not let us be discouraged or disappointed if we find that the full effect turns out to be neither immediate nor spectacular. It will not necessarily be of less value on that account, for rapid demonstrative action, if due to emotional impulse, often brings about reaction. There is an element in the British character which makes us shrink from expressing in exuberant language the ideals which nevertheless supply the motive power of our action, either as individuals or as a nation. I do not hesitate to say that I look upon the Paris pact as an instrument that proclaims a new era and creates a new outlook. We may not be able immediately to observe this; human beings have to adjust themselves to a new environment, but the up-growing generation, assimilating the new Zeitgeist, will be nurtured in the idea that war, except in bona fide self-defence, is not a gallant adventure, but a national dishonour.
>
> Armaments beyond what are requisite for national safety as prescribed by the covenant will be recognized as a costly and discreditable anachronism. If this hope should be even partially realized then assuredly this year, 1928, will be remembered as a notable land-mark in human history, for it will be the fulfilment of the dream of the most ancient visionaries of our race, who imagined an almost incredible golden age, when weapons of war would be beaten into implements of peace and war itself should cease among men. Throughout the long intervening ages, never till to-day has man made any concerted and determined effort to translate into action the vision of the ancient seer. We are making it now. The Paris pact, in complete harmony with the work of the League of Nations, is at once our proclamation of purpose and our testament to posterity. It is the faith of to-day and the hope of to-morrow.
>
> Hitherto, it has been on conquerors and the great masters of the art of war that history has bestowed her most glittering decorations. Hereafter, a fresh scale of values will be called for. When this new page is turned, we may be sure that we shall find the names of those who initiated the Paris pact inscribed among the greatest benefactors of mankind.

After what I have read from Lord Cushendun speaking for the British government and from M. Briand in his eloquent statement at the time of the signing of the treaty, and, indeed having in mind what one knows to be the sentiment of this nation from coast to coast, I feel it is almost superfluous to ask why Canada should sign this treaty. May I, however, briefly review the reasons which, it seems to me, not only make it imperative for us to sign but would make it the wish of every hon. member to be a party to a transaction of that character. In the first place, Canada perhaps as much as any country

in the world is united in its efforts to further the work of the League of Nations. It is united in that effort because this country holds strongly to the cause of peace and desires to see peace furthered not only within its own borders but amongst the nations of the world. We who are supporting so splendidly the work of the league in all its activities will wish to see that work strengthened and furthered as it will be by a treaty such as the one which is now before the house. But in addition to that, this treaty itself marks a place of new beginning in the relationships of nations; this treaty affords a new basis for international law. Heretofore in discussions on international law there has always been the assumption that war may be an instrument of national policy on the part of nations, and much of the international law that exists has, whether it is so avowed or not, this thought lying behind it and to some extent determining what is there defined. Hereafter, the relations of nations cannot appropriately be expressed in terms of the possibility of war between them, because all nations have agreed by this treaty to renounce war as an instrument of national policy. When I speak of the possibility of war between them, I mean war as an instrument of national policy, as a reliance upon force rather than a reliance upon reason or on law. The difficult questions of the freedom of the seas, rights in the matter of embargo and the like, should all, it seems to me, be made less difficult of solution between nations where there is not only agreement but a solemn covenant between them that they will not go to war with each other. That is another reason why I believe this treaty will commend itself to the people of Canada. It helps to establish a place of new beginning in the relationship between nations in the settlement of their differences.

But there is another reason and one which should make a special appeal to Canadians. It is that in approving this treaty we are simply placing the seal of approval on a policy which, as regards Canada in its relations with the country to the south, has been in existence for more than a hundred years. The hon. member for Winnipeg North Centre (Mr. Woodsworth) asked me the other day why the Rush-Bagot treaty was not revived. May I say to him that the Rush-Bagot treaty, or rather agreement—it was called an arrangement, I think—has never lapsed. That arrangement remains and has been in force ever since 1817, when the British government on the one hand and the United States government on the other agreed that it would be a huge mistake to develop the competitive arming on the great lakes which had begun at the time of the war of 1812, 1813 and 1814 and which threatened to reach considerable proportions unless competitive arming were stopped. Under the Rush-Bagot treaty it was laid down that the construction of armed vessels on the great lakes would be thereafter discontinued; that such vessels as existed would be dismantled, and that the armed force on the great lakes between this country as part of the British empire and the United States would be limited to four vessels each of 100 tons burden and carrying one eighteen-pound gun apiece. That was the Rush-Bagot agreement and it was provided that either country could terminate it on six months' notice. But so wise have men recognized that arrangement to be that neither from the United States nor from Canada nor from any part of the British empire has come an expression of a desire to discontinue the arrangement. It has not been and I believe it will never be allowed to lapse. That agreement was a renunciation of war as an instrument of national policy as regards the Great lakes, but it has extended very much further than that. Not only has it resulted in putting an end to competitive arming on the Great lakes as between this country and the United States but it has prevented competitive arming from the Atlantic to the Pacific along a frontier of between 3,000 and 4,000 miles, and it has helped to keep the peace for more than a century. Canada to-day in agreeing to adhere to this treaty is simply at the end of a hundred and some odd years taking the step which was taken that long ago as a part of the history of this continent to renounce war as an instrument of national policy.

Speaking of the example of Canada in that regard, one might mention that we have an additional reason for wishing to be signatories to a treaty of this kind. I have said that having agreed to refer matters to pacific settlement and not to resort to war, the nations must now busy themselves in discovering the most effective means of keeping the peace one with another. We on this continent have established a tribunal known as the International Joint Commission to which we are in a position to refer those questions which are apt to lead to difficulty between the United States and ourselves. That body was instituted in 1911. Some twenty-three or more cases have been referred to it, and I think that in twenty-one out of the twenty-three cases there has been unanimity in the finding which was given,

and in all cases the findings have been accepted. There is an example, it seems to me, of value to the entire world. If the countries of Europe had had an arrangement similar to that prior to the great war, it is questionable whether the war would ever have taken place. I think it may well be said at the moment that, knowing as we do the value of the machinery that is there provided for the settlement of differences by the method of compulsory investigation and conciliation, we might well as a country make this method a part of our policy in all that relates to our own affairs with other nations and, in so far as we are concerned, to the affairs of the British Empire, in order that in the event of something better not being discovered, at least some method of this sort should be resorted to as a means of settlement.

But another reason, and this I shall make the final one, is that as a country, we are interested in making our position as secure as it can be made in its relations with other nations. It is obviously to the interests of Canada to have from her neighbours, from the countries that surround her, an assurance upon their national honour that never will resort be had to war as a means of settling any differences which may arise. That reason has been mentioned elsewhere as a prudential reason, a reason of prudence, if nothing else, why this country should become a party to a treaty of this kind. Canada is fortunate perhaps in her geographical position. We have no countries to the north of us with which there is the possibility of any international difference or conflict. So far as the east and the west are concerned, we are separated by great oceans from any countries that might conceivably come to have differences with us. We have but the one neighbour to the south, and this neighbour one with whom we have lived at peace for over a hundred years, on a policy based on the renunciation of war as an instrument of national policy and which to-day, along with the other nations of the world, gives its solemn pledge that never for all time to come will it resort to war as a means of settling any controversies that may arise.

Mr. CAHAN: Does the right hon. gentleman understand that to be embodied in this document?

Mr. MACKENZIE KING: Most decidedly so. I cannot see how this document is capable of any other interpretation than that as between Canada and the United States—let me enlarge that—as between the British Empire and the United States. Neither will ever resort to war as a means of settling differences which may arise between them, but they will settle all differences by pacific means, and to that end each has pledged its honour before the entire world.

That brings me to my concluding word. More and more we are being told that this Dominion should help to shape the policy of the British Empire in many matters of foreign policy, matters which will be referred to us from time to time for consideration and opinion. I maintain that having regard to Canada's position, having regard to her desires with respect to the relations that should exist between herself and her neighbours, having regard to what she would wish to have prevail among the nations of the world, we should make the principle underlying this treaty a basis of consideration in all matters of foreign policy; in other words, in any questions that come up as between the British Empire and other countries, we should insist upon the importance of the agreement that has been solemnly entered into by the different countries of the world to renounce war as an instrument of national policy and to find pacific means for the settlement of their controversies.

Hon. R. B. BENNETT (Leader of the Opposition): Before the right hon. gentleman concludes, may I ask him if he has anything to say with respect to reservations?

Mr. MACKENZIE KING: Reservations? Yes, I would say what Sir Austen Chamberlain said, for where I am able to do so, I like to follow the example of the Minister of Foreign Affairs in Great Britain. Sir Austen Chamberlain said, when asked the question that my hon. friend has asked me, that there were no reservations so far as Great Britain or the United States were concerned. But may I say this: If my hon. friend has in mind possible interpretations as they have been made but which have not been recognized by governments as a part of the treaty, assuming that he wishes them to be taken into consideration, I do not wish to eliminate them. But this treaty will have two effects: One effect within the nation concerned will be to arouse its conscience to a pretty close examination of how far any interpretation or alleged reservation may run counter to the spirit of peace which is the underlying principle of this document, and any government that seeks through an interpretation, or alleged reservation, to resort to war, with the nation's honour binding the country to a course of peace,

will find itself in a very difficult position. The other effect will be in relation to the League of Nations, a body that is continuing from day to day and from year to year. The League of Nations may be expected to examine more closely than otherwise would have been the case any alleged reservation or interpretation, and in so doing, the league will be in a position to mobilize all the countries that are members of the league against any country that seeks by means of an interpretation of its own to evade what obviously might be considered to be its obligation under this solemn covenant.

Mr. BENNETT: Does the right hon. gentleman say that there are no reservations with respect to other things? I ask the question for information, because Lord Cushendun, whom the right hon. gentleman quoted, made a special reservation, "unless in bona fide self-defence."

Mr. MACKENZIE KING: So far as self-defence is concerned, self-defence is inherent in human nature and in nations, and as my hon. friend has just observed, Lord Cushendun's language carried before the words self-defence the word "bona fide", and neither the League of Nations nor any other organization on earth regards bona fide self-defence other than as a right residing in every individual and in every nation.

Mr. CAHAN: Does not the United States interpret this as implying that each nation in its discretion may determine for itself what measures constitue self-defence?

Mr. MACKENZIE KING: My hon. friend will have to ask the United States that question. Mr. Kellogg, the Secretary of State of the United States, expressed the view that the treaty meant exactly what it said, nothing more and nothing less.

Mr. CAHAN: I am suggesting that as the right hon. gentleman and his government have constituted themselves as interpreters of the United States government to the people of the British Empire—

Mr. MACKENZIE KING: Why should the hon. gentleman wish to throw suspicion or distrust on other nations?

Mr. BENNETT: Because we have had experience.

Mr. CAHAN: The facts now speak louder than words.

Mr. MACKENZIE KING: My hon. friend the leader of the opposition, speaking the other day of the United States, said that the United States newspapers—

Mr. BENNETT: Mr. Speaker, that debate is closed, and the right hon. gentleman is out of order.

Mr. MACKENZIE KING: I am answering my hon. friend; I am not out of order. I say that my hon. friend the other day referred to articles in the newspapers and periodicals and to speeches in the United States, all of which he said meant war against the British Empire, and I ask him now to point out to the house the source he then had in mind, if he had any in mind. I say to him now that he cannot give the house the sources which he had in mind, if he had any. I challenge him to give his authorities.

Mr. BENNETT: Mr. Speaker, in the first place, referring to the last observation of the right hon. Prime Minister, I did not say what he alleges I said. In the second place, if he will take the trouble to go to the library he will find the authorities for himself, not only in reputable magazines but in reputable newspapers of the United States.

Mr. MACKENZIE KING: Will my hon. friend give me the names?

Mr. BENNETT: I have on my desk a number of clippings from reputable newspapers of the United States in which these matters are thus discussed. The right hon. gentleman need not manifest such heat, he need not become so warm in his desire to apologize for the country to which he is so greatly attached.

Mr. MACKENZIE KING: I am making no apologies for anyone except my hon. friend.

Mr. BENNETT: May I remind the right hon. gentleman that his attitude is hardly in accordance with those principles of peace which he is so loudly proclaiming? May I venture to say that he is wholly lacking in that calm repose which should characterize the preparation for this peace fest that we are enjoying.

Mr. DUNNING: Self-defence.

Mr. BENNETT: Well, his excuse for the assertion may be regarded as self-defence; but I think not. Now, I venture to say that the reason for the right hon. gentleman's manifestation of heat was that he asked a question to which I gave the answer—experience. I may be permitted to remind him once more of what I read to this house last session, namely, an extract from Lord Charnwood's life of a great president of the United States, the late Mr. Roosevelt, who negotiated a treaty with Great Britain for the settlement by arbitration of differences with respect to the Alaskan boundary. According

to Lord Charnwood, he intimated, through one of his friends in London, that the English plenipotentiaries would have to agree with those representing the United States, otherwise he would take his soldiers and run the line. That is what I meant by experience. If desired I will get the book from the library and give my right hon. friend the page where that passage will be found. Those words made a profound impression upon me when I read them. And when the right hon. Prime Minister referred to the International Joint Commission it brought to my mind that our friends to the south have always insisted upon an equal representation on arbitration tribunals, which usually necessitates one of our representatives giving in in order that their will may prevail. This was the case in the Alaskan boundary award, which caused so much discussion in this country. I could multiply those instances. If the right hon. gentleman desires, he will find them set out at length in a book written by a prominent gentleman across the line. The work is entitled Conquest by John Carter, and in it are reviewed all the activities of our friends on this continent during the last hundred years by force of arms, by economic pressure and by other means. That was the reason why I made my observation in answer to the question of my right hon. friend, and I am rather surprised that the Prime Minister of a great British dominion should display such heat, because I take it that every member of this house has a deep and abiding anxiety for peace.

No form of democratic government can survive without peace. The very essence and basis of democracy is peace. Everyone realizes that. And when the right hon. gentleman referred to the fact that we had attained to a position where we were consulted and had the opportunity to express our approval by becoming a signatory to this great Briand-Kellogg pact, I could not but think that that was won for us by the gallant men who gave their all on the battlefields of France. If to-day we rejoice in the fact that we have some position in the world as a people, a position that enables us to attach our signature to a pact that makes for the world's peace, we should never for one moment forget that that position was won for us through war and all that war involves in the way of sacrifice of blood and treasure, the latter being the least significant; and this country will not for a half a century recover from the loss sustained in the sacrifice of her gallant sons, a sacrifice which won for us the position which now enables us to become a party to this treaty.

[Mr. Bennett.]

It does not seem to me necessary that any member of this house should take any length of time in saying that we welcome, and the Canadian people welcome, every effort and every instrument that will make for the preservation of the world's peace. But when we speak of peace being maintained by treaties we must never forget that the stream of time, as I said the other day, is strewn with the wrecks of nations that have broken solemn treaties to which they were parties; and as long as human nature is as it is we cannot contemplate, in view of the lessons of history, the possibility of a golden age being ushered in by the mere signing of a document that outlaws war and says that it shall no longer be had recourse to as an instrument of national policy. Merely to say that we abhor war, that we outlaw war and will no longer have recourse to it as an instrument of national policy, is but to say something that has been said by statesmen during the last nineteen centuries. We started for a golden era when our Saviour himself was on earth, and down through all the centuries you will find men making these declarations. But we know what has followed. It will not be forgotten, for instance, that a solemn treaty was signed recognizing the integrity of Belgium and that it was violated, and that this violation by Germany brought the British Empire into the Great war. Yet great nations, mark you, pledged their honour to uphold that treaty. In the same way the honour of nations is pledged to the treaty now before us.

We are practical people, and when we speak of peace we must not for one moment forget that the price of peace is effort, and that means effort for peace. It was President Wilson who in one of his addresses to congress said: If we are to have peace we must have the will to peace. The will to peace means much more than the mere expression of words, it means that we live in accordance with that will, and that instruments of war are not created. For there can be no peace, even with the will to peace. if the concrete effort finds expression in the creation of great armies, great navies, and great aircraft squadrons, and the manufacture of chemicals with which to carry on diabolical chemical warfare. These things we must recognize and realize, and the first step to be taken, if this treaty is to be maintained and enforced by the Canadian people, is to bring about disarmament. It must be remembered that this treaty contains no sanction, other than the sanction of honour, it contains no provisions as does the League of Nations covenant by which pressure may be exerted, even to the

extent of pressure by force; no provisions of that kind. It is, as the Prime Minister has said, a document based entirely upon a national sense of honour. There are no punishments provided; the only punishment that we can impose upon the nation that breaks it is by our abhorrence of and revulsion in such a breach of plighted honour.

That being so, it does seem to me that we, being a practical people and living in an age of actualities, must see to it that there is behind that will for peace itself an expression in concrete shape by disarmament, by bringing about the lessening of armies, by bringing about the lessening of navies, by bringing about the lessening of aircraft, by bringing about the cessation of manufacture of the materials by which chemical warfare is carried on. Unless we do that this covenant becomes something, a little higher perhaps than covenants of days gone by, but it becomes after all a byword and a reproach. The very essence of this instrument is that those who sign it—not this country alone but every other nation in the world that becomes a party to it—begin at once to destroy by peaceful means those instruments by which peace is rendered impossible.

I think it was Shakespeare who said that the sight of means to do ill deeds makes deeds ill done; and so long as there are armies and navies, aircraft and chemicals, just so long will men and women think in terms of war instead of peace. The very presence of these instruments of war induces thinking in terms of war. It seems to me, therefore, that the complement of this obligation which we have incurred is that on every occasion, at all times, we should be glad and willing to assist in every possible way to see to it that these instruments, by which men are led to think in terms that are the very opposite of peace, shall not be maintained and supported by the people. Failing such an effort, any treaty becomes nothing more than sounding brass and tinkling cymbal. There is no doubt about that. I think of the language of Lord Cushendun with relation to the emotional reactions that follow moments of great exaltation, when we speak in terms of peace as though the golden age had come; but we must not forget that in this world to-day there are great armies—hundreds of thousands of men under arms, owing allegiance to the very nations that have executed this pact. There are great navies built and building; there are thousands of aircraft built and building; there are great factories being erected and organized for manufacturing chemicals to be used for purposes of devastation and destruction during war. If, therefore, we desire to realize the purpose of this pact this can be done only by the complete recognition on our part of the educational obligations that rest upon us to see to it that there shall be more than the mere signing of an agreement—that the instruments by which the purpose we have in view will be nullified shall not be created or maintained.

This is all I think it is incumbent on me to say at the moment. I am as anxious and desirous as every thoughtful man or woman must be in Canada to see peace prevail. Believing as we do that the one great means by which peace throughout the world is to be established and maintained is to create that will for peace which finds expression in disarmament and in the lack of preparation for war, or the destruction of the instruments whereby war may be carried on, whether on land or sea or in the air, we execute a document such as this, which marks one more step forward towards the end we have in view. But any student of history, whoever he may be or however casually he may read, cannot but be struck with the fact that during all the long centuries of which we have a record men and women have been striving for peace as the great ideal, only to see their hopes shattered and their expectations disappointed, because the human equation has been what it is, because in moments of great stress the multitude, the masses under democratic forms of government, fired by emotional appeals, exalted for the time being to think that their eagerness for war really expressed their patriotism, have shaped and moulded and controlled public opinion through statesmen and governments, so that governments and men who would willingly and gladly have refrained from war have been compelled to rush into conflict with other nations. That is the history of mankind; and until such time as mankind has no longer before it the means by which war may be made possible, so that when men's emotions are aroused by appeals to false sentiments of patriotism—appeals to the jingoistic spirit that sometimes manifests itself in every country—until such time, I say, the possibility of war will remain. We must, therefore, destroy the instruments that make for war, so that when such appeals are made to the emotions there will be no response—no cannon, no navy, no troops. That is the only means by which peace can be made lasting in this world; and we must not be misunderstood if we suggest that this document, great as it is, is not nearly so great as people are sometimes led to believe it is. This is a document which, based upon principles of high honour, records the view that war, here-

after, shall be considered illegal and no longer an instrument of national policy. But let us bear in mind, there are no sanctions, and for the maintenance of the principles it embodies it is essential, in my poor judgment, that there should be no means by which the purpose aimed at may be frustrated. We know the weaknesses of human nature, we realize all the difficulties which in the past have surrounded treaties in relation to peace—difficulties such as found expression at the time the boundaries of Belgium were disregarded and the German troops marched through that country.

I certainly desire to congratulate the Prime Minister (Mr. Mackenzie King) upon the part he has taken in connection with the execution of the treaty. We Canadians realize that the first minister of the crown, in dealing with the matter as he did, spoke not for the government but for the Canadian people in his capacity of leader of the government of Canada, and to that extent we are proud to think that our country had an opportunity thus to associate itself with the other nations of the world in declaring the Canadian people's abhorrence of war and their view that war as an instrument of national policy should hereafter be regarded as illegal and a menace to the world. This, I think, is a fair and reasonable attitude to take. Canadians are proud to reflect that we have had this opportunity to be associated with the other nations of the world in the outlawing of war and in the endeavour to maintain, as far as possible, the peace of the world. But if there are amongst us, as there are, men who believe that the best means to effect peace is to insist that the instruments which would wreck peace shall not be allowed to exist, then I am sure we shall not be charged with wrong motives, or with any other than a sincere desire to do what we can so that when we have pledged our honour, as other nations have done, to prevent war, there shall not be a gradual accumulation of the very instruments that make peace impossible and war but an inevitable consequence. For those who know most, those who have written most carefully on the subject, those who have investigated it most closely are all agreed that but for the instruments which one great nation and empire sustained before the war there would have been no war; because where there are millions of men under arms, millions of tons of warships, great guns, great arsenals and great factories for the production of explosives, these instruments must ultimately be used for war. It is because people demand a use for them that the inevitable end comes; and there will be no success from this or any other treaty until the time comes when the instruments of war are made no longer available. It is for that reason that I made the other day the observations to which attention has been called. We are endeavouring to ensure the security of Canada, and we believe that the creation of instruments of force, which would be all-powerful even as against ourselves, if it were the desire of others to use them, are but an incentive, an invitation to arouse the passions of mankind which, during the long centuries of which we have record, have manifested themselves at critical moments in one way and one way only. Since the days when the old orator stood in the Roman tribune and thundered his attacks against a rival city, closing with the four words, "Carthage must be destroyed,"—since then until the present day, war has always been the result of an appeal to the passions of people, who have been only too ready to resort to the use of the instruments at hand. We must, therefore, strike at armaments and navies, armies and aircraft, if treaties are to be inviolate and we are to achieve the end we have in mind.

I have no desire for a single moment to betray any spirit of recrimination or suspicion. But after all one realizes that history is indeed a useful guide; and with the long record of mankind before us to guide us to the high and noble purpose we have in view, we should be indeed false and recreant to the trust reposed in us if we did not take advantage of the lessons which history has taught us. These lessons are there: he who runs may read, and the wayfaring man, though a fool, need not err therein. I associate myself with what has been said as to the great advantages that will accrue to the world by having this open declaration of all communities as to the desirability of peace.

There are certain matters with which I might fittingly deal when the estimates having to do with the League of Nations come before this house; it is not necessary for me to refer to them now, but I do say that upon these two continents of North and South America we have had striking indications during the last few weeks that the power of the League of Nations is very little indeed. That power has not amounted to much with regard to these two continents, and the reasons which induced Brazil to withdraw from the League of Nations, and I assume the same reasons which have induced Brazil to refrain from signing this peace pact are those reasons which must be in the minds of thoughtful

Canadians, which demand that if we are sincere and honest in our purpose we will, to the extent of our ability, use every effort to bring about the destruction and disappearance of those instruments without which war is impossible. I conceive that to be what was in the mind of the seer of old to whom Lord Cushendun referred, who spoke as with a vision when he said that talk of peace was indeed purposeless unless the time arrived when men beat their spears into pruning hooks and their swords into ploughshares.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, after the very comprehensive and eloquent presentation of the cause of peace by the Prime Minister (Mr. Mackenzie King), and the equally eloquent plea by the leader of the opposition (Mr. Bennett), that we should banish those instruments without which war is impossible, it seems to me almost too bad to utter anything of a jarring nature. Someone behind me suggests the word "cynical." I hope what I say will not be cynical, but I think we must look at things from the standpoint of reality, and we must understand very clearly the implications of this solemn treaty which we have to consider. Ten years ago the treaty of Versailles and the covenant of the League of Nations contained undertakings providing for a general reduction and limitation of armaments. As Mr. Lloyd George pointed out recently in the British house, Germany is the only nation which has honoured that undertaking; since Locarno the British, French and Italian armaments have increased. What about British honour and Canadian honour with regard to those provisions of the treaty of Versailles? Further, ten years ago in connection with the peace treaty a charter of labour was drawn up which proposed to grant to organized labour almost all the things for which it has stood for many years and was solemnly signed by the members of the League of Nations. Canada was a signatory to that treaty. With very small exceptions these labour clauses have not been ratified by Canada. I know the difficulties in the way; under our British North America Act, of which we hear daily, there are certain Dominion-provincial difficulties, but I maintain that if Canada were in earnest means would have been found long ago for the ratification of those sections of the treaty. Again I ask, what about the obligations of honour into which Canada entered ten years ago?

One phrase uttered by the Prime Minister goes a long way to reconcile me to the action which we are asked to take to-day, and that is that this treaty should be the basis in the future of all our relations with foreign countries. If that is carried out in its entirety it means that this is indeed the dawn of a better era.

We are told by the Prime Minister that war is an obsolete method, and again that war must be abolished or war will annihilate our civilization. I do not need to say anything further in that connection, but let me bring out some points which it seems to me may be glossed over at this time of enthusiasm. In the first place, what about the limitations of the treaty? I can hardly understand how the Prime Minister can say that Great Britain made no reservations. We recall the letter written by Mr. Austen Chamberlain at the time this pact was being negotiated, in which he said:

> The language of article 1, as to the renunciation of war as an instrument of national policy, renders it desirable that I should remind Your Excellency that there are certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety. His Majesty's government have been at pains to make it clear in the past that interference with these regions cannot be suffered. Their protection against attack is to the British empire a measure of self-defence. It must be clearly understood that His Majesty's government in Great Britain accept the new treaty upon the distinct understanding that it does not prejudice their freedom of action in this respect. The government of the United States have comparable interests any disregard of which by a foreign power they have declared that they would regard as an unfriendly act. His Majesty's government believe, therefore, that in defining their position they are expressing the intention and meaning of the United States government.

We sometimes boast that upon the British Empire the sun never sets, and to-day there are regions which undoubtedly are considered by the present administration as vital to the interests of England, such as Egypt and India. The idea of self-defence is so widely interpreted in this letter by Mr. Austen Chamberlain that it may be made an excuse by the British Empire for war in almost any part of the world. I think that should be made quite clear, and hence I was sorry when the Prime Minister undertook to tell us there were no reservations. If we come to the United States the interpretation given by Mr. Kellogg surely is a form of reservation. He stated that there was nothing in the American draft of an anti-war treaty which restricts or impairs in any way the right of self-defence. Then he said:

> Every nation is free at all times and regardless of the treaty provisions to defend its territory from attack or invasion, and it alone is competent to decide whether circumstances require recourse to war in self-defence.

Instead of that being an advance over the peace treaty of Versailles, Mr. Speaker, it is a distinctly retrograde step. The peace treaty undertook to say that the league would decide whether or not a war was a war of self-defence, but here Mr. Kellogg enunciates the dangerous doctrine that each nation must decide whether or not a war will be a war of self-defence. Until some way is provided by which wars of self-defence may be much more clearly defined it does not seem to me that we can hope that this declaration of the outlawry of war will carry us very far. Did Great Britain ever wage anything but a war of self-defence? I will venture to say that almost every Conservative in the British Empire will say that every war was a war of self-defence, although practically every historian denies it. Of course, all British wars are wars of self-defence. I believe Mr. Norman Angell ironically made a statement of that kind not long ago in the city of Toronto. To his astonishment, doubtless, the Torontonians all cheered him not that they caught his point, but that they could not conceive of Britain as other than always right. We must remember that all large nations claim that their wars are wars of self-defence. What about France? She is the Ruhr to-day and I suppose if the League of Nations undertook to move her out, or the Germans tried the same thing, immediately we would have a war of self-defence.

A very excellent editorial appeared in the Free Press a few weeks ago, dealing with the second clause of the Kellogg treaty. This clause reads as follows:

> The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

The editorial reads:

> The optional clause grows slowly in favour. Additional signatures to it forthcoming in recent weeks are those of Hungary and Spain. Meanwhile the official attitude of all the British nations, as frankly is stated at a recent meeting of the league council, is that while they heartily approve of other nations signing the clause they do not intend, for the time being at least, to sign it themselves.

Is that the British way, to approve of everyone else signing but refusing to sign themselves? In this connection I asked a question of the Prime Minister the other day regarding Canada and the optional clause. He very kindly answered one of my questions, but the most important one still remains unanswered.

Mr. MACKENZIE KING: Would my hon. friend like it answered?

[Mr. Woodsworth.]

Mr. WOODSWORTH: Yes, I should like it answered now.

Mr. MACKENZIE KING: My hon. friend will recall that during the last imperial conference a desire was expressed on the part of the governments assembled there that no one part of the British Empire should formally accept the optional clause without giving to the other parts of the empire an opportunity of discussing that particular subject. We have advised the other parts of the empire that in our opinion Canada should sign the optional clause, and we are at present receiving communications from other parts of the empire in reference thereto. We are carrying out our undertaking at the conference not to sign formally until there has been an opportunity for discussion, but we have made known that it is our desire to sign the optional clause.

Mr. WOODSWORTH: I am delighted to hear that. May I ask when Great Britain was notified to that effect?

Mr. MACKENZIE KING: I do not recall the exact date, but it was either the end of last year or the early part of this year.

Mr. WOODSWORTH: When the question was raised in the British house last July I note that the Prime Minister of Great Britain stated that no communication had then been received from Canada. Personally, I am delighted to know that Canada is moving along that line.

There is another question I asked the other day as to whether Canada is taking any steps towards the signing of what is known as the general act for the pacific settlement of international disputes, as drawn up by the ninth assembly of the League of Nations. Possibly the Prime Minister could answer that to-day.

Mr. MACKENZIE KING: I have the answer, and I will give it to my hon. friend. The general act or model convention referred to was only drawn up in September last, and so far as we are informed, has not yet been accepted by any member of the league. As it covers in some measure the same ground as the permanent statute of the court of international justice, which Canada has accepted, and the optional clause under the statute which is at present under discussion, we have thought it desirable to have the optional clause question finally determined before proposing further action.

Mr. WOODSWORTH: It seems to me it would be a splendid thing if Canada could be the first of all the nations of the world to sign that agreement. But are the nations really

in earnest in this matter? The leader of the opposition has rather suggested that the United States may not be. We have had the cruiser bill, which certainly does not seem to be a very consistent action on the part of the United States. I would remind the house that only a short time before that we had the Anglo-Franco naval compromise, which perhaps, in part at least, provoked the cruiser campaign. Great Britain was undoubtedly responsible in being a party to that compromise. I asked the Prime Minister a question the other day as to whether Canada was consulted in this matter. I think we should have an answer to that, and if the Prime Minister feels he can give it here I shall be delighted.

Mr. MACKENZIE KING: I believe in March of last year we were advised that the British government intended to enter into conversations with the French government with respect to the consideration of armaments and their possible reduction. The information we received in this particular was public knowledge within a week after. We were not kept advised of the progress of the negotiations. At the imperial conference of 1926 it was laid down that before one part of the British Empire entered into negotiations with another country, which negotiations were likely to affect other parts of the empire, all parts of the empire should be advised. If these negotiations were calculated to impose obligations upon other parts it was understood that those parts of the empire would be kept advised of the progress of the proceedings and their assent obtained. I take it that the British government felt that the negotiations were not likely to impose any obligation on Canada and that, therefore, we were not advised of the progress of the negotiations. Our first knowledge as to what had actually been arrived at was received after some of the governments had had their formal notification through the British Embassy.

Mr. CAHAN: Were these negotiations not purely tentative for submission to the United States?

Mr. MACKENZIE KING: I understand they were.

Mr. WOODSWORTH: May I venture to comment on that by suggesting that the Prime Minister's statement would show that the present arrangements with regard to our imperial affairs are decidedly inadequate? If we can learn of important decisions of this kind on the part of Great Britain only after they are public property, it would appear that to me we are absolutely helpless with regard to the most vital matters in our world relations. It seems to me that the Prime Minister and the government have taken too narrow a view of the position of Canada in world affairs when they thought we were not directly involved in a matter of this kind.

Mr. MACKENZIE KING: I never said anything of the kind. We were advised that certain conversations were about to take place, and that was all the knowledge we had of what was going on until we learned of the tentative agreement that had been reached.

Mr. WOODSWORTH: Whatever the details may have been, it seems to me that any proposed arrangement along naval lines between Great Britain and France must have been known to involve the whole question of the freedom of the seas. The merest tyro in international affairs must know the great difference of opinion that exists between Great Britain and the United States with regard to that matter, and surely, therefore, our government must have been aware of the seriousness of the situation. I happened to be in close touch with members of the British parliamentary delegation when the opposition of the United States was announced, and the resentment of the British parliamentarians to what they considered American interference was very keen. Anyone who has been in touch with British statesmen knows how widely conservative opinion in Great Britain differs from the American position.

My point is that the position of Canada in relation to the United States is a very peculiar one and that we must safeguard our own interests. Whilst we are members of the British Empire—and some of us are glad to belong to the great association of the British commonwealth of nations—we must recognize that we have distinct responsibilities towards our own people, and that we ought to know, clearly just where we stand in matters of this kind. The other day in my speech on the address I read a paragraph from an editorial which appeared in the Western Producer, and I should like to read a little more from the same editorial as it places this situation squarely before the people of Canada. The editor of that paper, I suggested, could not be called unpatriotic or pusillanimous. We know him and his record. This is what he said in referring to a book of Commander Kenworthy, in which the latter had suggested that if there was a possibility of war between Great Britain and the United States, Canada would find herself in an impossible position:

> Canada might manage to save herself if she immediately severed all connection with the

British Empire and crawled, squirming on her hands and knees, with a couple of Mackenzie King's speeches held out before her. If she did not do that, and it is doubtful if that would be of any use, she would be in the war five minutes after hostilities had been declared. The war between Canada and the United States might last a week. Without moving off her own territory, American gunners could paralyse all the industries in Ontario depending on water power. American aeroplanes could reach every commercial and industrial centre in Canada within an hour or so. Navigation could be stopped on the St. Lawrence without much trouble. The industries which depended on coal in Ontario could not function for a week because the supply of coal would be cut off from Pennsylvania. The transcontinental lines of railway could be cut in a dozen different places on the prairies. Industry, transport and commerce would be at a standstill. The port of Vancouver could not be saved. It is true that the Hudson Bay railroad might be kept in operation for month or so if the Americans were not in a hurry, but there is little doubt that Canada would be abjectly defeated in considerably less time than it took the Germans to subdue Belgium at the outbreak of the last war. The truth is that Canada, with the British fleet standing by her with every gun and ship, could no more fight the United States than could the newest Canadian baby fight Gene Tunney. Canada cannot hold her place as an independent nation by military strength any more than Holland, Denmark, Haiti or Baffinland.

Then came the paragraph which I quoted the other day followed by this in conclusion:

If Kenworthy is right, and British diplomacy is liable to involve her in a war with the United States, British Statesmen should also understand that they can count Canada out in the deal. Full acceptance of the Kellogg anti-war pact, both in letter and spirit by Great Britain and an airtight understanding that, under no circumstances, will war be resorted to between the two countries are the only terms upon which Canada can consent to remain a working partner in the British family of nations.

It is as well that we should face the actual facts in the situation, and while none of us likes to contemplate the remotest possibility of war between Great Britain and the United States, we make that absolutely impossible only if we take the strong stand that under no circumstances shall we and our neighbours to the south of us be involved in war. I am glad to know that this is the interpretation which the Prime Minister places upon the treaty which he is asking us to ratify.

It seems to me, then, that we should vote in favour of such ratification with a distinct understanding on two points. First, that so far as we are concerned there are absolutely no reservations, and, second, that we are willing to implement that ratification of this treaty by ourselves taking the lead in the reduction of our armaments. I have spoken about the inconsistency of Great Britain.

[Mr. Woodsworth.]

Miss MACPHAIL: Of the United States.

Mr. WOODSWORTH: Of Great Britain. I will say also the inconsistency of the United States; it seems to me that both have been inconsistent. But what about our own consistency when this year, according to the estimates brought down yesterday, we are increasing our defence estimates by a million dollars?

If we are in earnest about this matter we might rather expect the government to bring down a bill to abolish the Department of National Defence. If we really mean what we say according to the terms of the treaty, namely, that we are denouncing war as an instrument of national policy, why do we any longer need a Department of National Defence? The United States, as the Prime Minister has pointed out, is our only neighbour, the only country with which we are likely to come into conflict. Why, then, do we need this Department of National Defence? These are matters that ought to be considered.

Mr. GEARY: When the hon. member speaks of Canada signing the treaty without any reservations whatsoever, does he mean to withdraw from Canada the right of self-defence?

Mr. WOODSWORTH: I think if we are serious about this, we shall have to recognize that we pass to a sphere that Lord Cushendun in those eloquent words of his has spoken about as a venture of faith. You cannot very well shake hands with a man and at the same time hold on to your gun. If we are going to shake hands in real earnest, we shall have to lay aside our arms; we shall have to trust our neighbours.

Mr. GEARY: I think the hon. member does not quite understand me. He said that one condition should be that we should enter this treaty, if at all, without any reservations. What is in his mind when he makes that statement about reservations?

Mr. WOODSWORTH: There is a reservation implied in our very relationship to the British Empire when that Empire assumes the position implied in the statement that Mr. Austen Chamberlain made at the time of the negotiations. Further, there is undoubtedly a reservation of self-defence, and as I endeavoured to say a little while ago, self-defence has been and may be so broadly interpreted that almost any war may be undertaken on that ground. We have to move away from the old idea of always being prepared to defend ourselves by force and recognize that under modern conditions the best self-defence that we can have is the active promotion of goodwill among the nations.

Mr. GARLAND (Bow River): May I ask the hon. gentleman a question in order to clear up this point? The hon. gentleman has just intimated that he thought there was some implication in which we were involved because of the so-called reservations of Mr. Chamberlain. Surely the hon. gentleman does not mean that Canada is compelled to observe or to honour the implied reservations of Mr. Chamberlain's letter?

Mr. WOODSWORTH: I did not want to be so understood. I wish to be clear on that. I think that Canada ought to decide this question entirely on her own responsibility, that she is quite capable of doing so, but at the same time, I do recognize that Canada is a part of the British Empire, and that so long as we remain a part of the British Empire we cannot escape all responsibility for certain decisions upon the part of other members of the empire, particularly upon the part of Great Britain herself. Mr. Chamberlain has so interpreted the Kellogg peace treaty, and unless we expressly repudiate his interpretation it may very well be that the British government may be inclined to think that we might accede to their position in these matters. I mentioned that the other day with regard to the freedom of the seas. Do we or do we not accept the British interpretation of the freedom of the seas?

Mr. McGIBBON: May I ask if my hon. friend accepts it?

Mr. WOODSWORTH: No, decidedly not, and I think no one who has studied the developments of history could possibly accept it to-day. I suggested my position on that the other day when I referred approvingly to a statement of Commander Kenworthy and my hon. friend might have saved himself the trouble of asking the question—that is if he is simply desirous of knowing my position. Commander Kenworthy said:

> The British will have to envisage now the eventual renunciation of the right of independent blockade, instead of as now, tacitly recognizing that in future it will be impossible to enforce it without American approval; while the Americans will have to envisage now, eventually recognizing, that freedom of the seas and sea law cannot be guaranteed without an Anglo-American convention which will have to be brought into relation with the covenant of the league.

Mr. McGIBBON: Does the hon. gentleman think we could have won the war on that ground?

Mr. WOODSWORTH: No, but if this treaty which we are asked to ratify to-day had been in existence in 1914, and had been taken seriously by the various nations, we would not have had any war. I would close from a quotation from a very respectable source, the Montreal Gazette, which in its issue of October 25, 1928, says:

> It remains with the political casuists to explain just how the augmentation of armaments, alongside the increase of national debts, is going to further the economic recovery of nations from their crushing burdens imposed by the Great war, or how a gesture of this sort can be made to chime with the disarmament proposals still in the offing of international diplomacy, but not as yet piloted into dock.

A little later the editorial says:

> Nor is it at all clear by what logic it can be maintained that the increase of armaments tends to preserve peace. Lord Grey said: "The moral of the last great war was that great armaments did not prevent war, but brought it about." And speaking upon the same topic, Lord Asquith said that armaments are not accumulated and builded for ornament and display. They are intended to be used and will be let loose upon the world.

I would say in answer to my hon. friend from South Toronto (Mr. Geary) who asked me a question a few moments ago, that I think we shall have to adopt that attitude. If we have our own navy, small as it may be but easily capable of becoming a unit in the British navy, if we have our own airships more or less standardized so that one day they might readily become a unit in the defence of the empire, if we have our own army and maintain that army and train our boys for these services, we are doing so having in the back of our minds the thought that some day these armaments and these soldiers and these cadets may be used.

Some of us on occasion have been accused of not being loyal to the British Empire—this simply because we undertook to criticize certain policies that have been adopted in the past by certain administrations in Great Britain. I do not think that is a fair accusation. My own hope is that before very long a new regime will come in Great Britain, and I feel that it may be quite possible that we shall then be able more fully to endorse the stand that will be taken by the then existing government of Great Britain. Some of us have been accused of not being patriotic because we criticized the policies that prevailed here in Canada, but I want to say in all sincerity that I believe that those who are trying to create armaments in this country and are insisting upon increased defence are, from my standpoint—doubtless not from theirs—playing into the hands of the so-called patriots of other countries, the armament people of other countries. Our attitude will be used in other quarters to enable the patriots of other coun-

tries to advocate larger armaments for their nations. I would like to think that if we take the lead in disarmament, although we are a comparatively small country, our example may encourage a still larger measure of general disarmament. It is only as we do this that we can hope—in the excellent phrases of M. Briand—to organize the peace that we are seeking to proclaim.

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, the welcome that was extended to the Prime Minister on his return from Europe last summer was not that of a political party to its leader; it was the voice of Canada in wholehearted approval of his services in the cause of international peace. The Prime Minister was a central figure at Paris in the opening of the Canadian Embassy, and in the signing of the general treaty for the renunciation of war. He was likewise a central figure at Geneva in the deliberations of the council and of the assembly of the League of Nations. It is the declared policy of Canada to promote international amity between herself and the nations of the world with whom she is associated and the people of Canada may well be proud of the manner in which her representative expounded that policy to the other nations of the world. All of the events in which the Prime Minister and those associated with him participated are closely interwoven in that they indicate the growing importance of Canada among the nations of the world and reflect the increasing interest of the Canadian people in international affairs.

This parliament is now asked to approve the general treaty for the renunciation of war, commonly called the Briand-Kellogg Treaty, or the Paris peace pact, signed at Paris on the 27th of August, 1928, on behalf of His Majesty for the Dominion of Canada by His Majesty's plenipotentiary, the Right Hon. W. L. Mackenzie King, Prime Minister of Canada.

It is now almost ten years since the League of Nations was formed in an effort to establish world peace by the substitution of reason for war in the settlement of international disputes. There have been criticisms of the league even in this house, but thoughtful men are of the opinion that the league has grown in prestige and value to the world year by year, for it has created among the nations of the world a new sense of security, based upon an international public opinion that acutely realizes the horrors of war, and is keenly anxious for peace. The great value of the League of Nations, and of the covenant that binds together fifty-five nations of the world, lies in the abandonment of much of the old diplomacy, with its cold exchange of formal notes, and its ultimatum that so frequently resulted in war, and the substitution of open conference and public discussion. The covenant of the league sets up machinery for the investigation of international disputes, and for their settlement by pacific means, either by a reference in appropriate cases to the permanent court of international justice, or through the processes of arbitration, conciliation or conference. The covenant of the league also prescribes a period of delay before war shall be resorted to, during which efforts may be made to settle the disputes by pacific means. The league does not depend upon force, and is essentially a pacific institution. It seeks to bring the disputes of its members into the clear light of day, relying upon open conference and public discussion as safeguards against war.

No greater tribute has ever been paid to the value of the league—and this statement may answer the question put forward by the hon. member for Muskoka (Mr. McGibbon)—than the considered opinion expressed by Viscount Grey and supported by General Smuts, that if the present machinery of open conference and public discussion provided by the covenant of the league had been in operation, the outbreak of the Great war in August, 1914, could have been avoided.

The covenant of the league did not, however, preclude the possibility of war. In fact it recognized the legality of war as a last resort in the solution of the disputes that might come before the league. There was a very good reason for the recognition accorded at that time, for those who drafted the covenant were trained in the old schools of international law and in the old conceptions of sovereignty. It was the old view that no limitations whatsoever could be put upon the rights of sovereign states to act as they might desire, and therefore the framers of the covenant felt that they could not deny to sovereign states the right to wage war as a last resort in the furtherance of their national interests. There have been remarkable changes in international conceptions during the last decade and it is manifest that if there is to be international peace the old doctrine relating to the sovereignty of states must be recast. Membership in the league is itself inconsistent with the old conception of sovereignty, since it restricts the liberty of action of its members. No nation in the world, whether limited in status or not, can be permitted to act in whatever way it may desire to do if lawlessness among the nations is to be prevented and the peace of the world assured.

Therefore it was necessary to go further than the covenant of the league had gone, and this further step was taken when the peace pact was signed. Article I of that document provides:

> The high contracting parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

Fifteen nations of the world, of whom Canada was one, signed this solemn pledge, and since that time forty-seven other nations have expressed adherence to its terms. Under Article I of the peace pact war as an instrument of national policy has been declared by sixty-two nations of the world to be illegal, and the rights of sovereign states have to that extent been abridged. It is no longer the legal right of a state that has signed or expressed adherence to the peace pact to wage war in furtherance of its national interests. A great forward step was taken, for as long as the legality of war was recognized competition in armaments could be justified as preparation for the exercise of a legal right and the settlement of international disputes solely by pacific means was impossible. The gap in the covenant of the league caused by its recognition of the legality of war as a last resort in the settlement of international disputes has been closed.

The peace pact has been criticized as a mere gesture of peace with no substance to support it, and an echo of that criticism has been heard in this house. It is urged that "war as an instrument of national policy" is not defined in the pact; that is true; that wars of self-defence are not affected by the pact; that also is true. It is pointed out that all nations, in recent years particularly, realizing the national dishonour involved in wars of aggression, have claimed that the wars in which they themselves were engaged were wars of self-defence. Secretary Kellogg and Senator Borah agreed with Sir Austen Chamberlain that there was no way of defining legitimate wars of self-defence as against wars of aggression. The critics argue further that no visible test exists whereby to determine whether violation of the pact has been committed; that no machinery is provided for the punishment of those who break its terms; that there are no international obligations involved;—in fact that the peace pact is a glaring example of international hypocrisy. As proof of their view that the nations of the world have no real intention of renouncing war as an instrument of national policy, they point to the armament programs of the nations who signed the pact.

It must not be assumed that international peace has been secured by the mere signing of the peace pact. The pact is however more than a mere gesture of peace, for it has one very important result—it has brought the United States actively into the struggle for world peace. Furthermore it is an additional guarantee of peace, for now a warring nation that is a member of the league and refuses to settle its disputes by pacific means breaks two solemn covenants instead of one, and thus doubly runs the risk of international disapproval. The critics also forget the importance of Article II of the peace pact, which provides as follows:

> The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

Article I of the peace pact is important as an article of faith, declaring, as it does, the illegality of war as an instrument of national policy. It brings the nations of the world to the threshold of a new era. The second article is however the more important of the two, for it sets forth the positive commitments of the contracting parties; it does furnish a visible test as to the honesty of the nations who signed the pact. Article II is the mansion of the new era which the nations now agree to build in place of the shambles of war.

It is true that the term "pacific means" is not defined in the pact, but it is clearly wide enough to include the machinery set up by the League of Nations—the permanent court of international justice and the processes of arbitration, conciliation and conference. The signatory powers are, of course, not confined to the pacific means provided by the league, but they are committed, positively and definitely, to one of two courses: either to leave their international disputes unsettled or to settle them only by pacific means; settlement through the medium of war is illegal.

What are the guarantees of the observance of the pact by the nations who became parties to it? The pact itself, in the preamble, suggests one which might better have been a separate article:—

> That any signatory power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by the treaty.

A violating nation will lose the pledges of peaceful relationships afforded by the pact. It has been realized that we are at the beginning of a new era in international relationships, and several suggestions have been made as to additional guarantees of peace. General

Smuts makes a special appeal to the United States to apply to the peace pact the same moral and economic sanctions by way of boycott of the aggressor as are provided for violators of the covenant of the league by Article XVI of the covenant. Somewhat the same idea is behind the resolution presented by Senator Capper to the United States Senate and Mr. Foster to its House of Representatives, empowering the president to forbid the export of munitions to any belligerent nation that has violated the peace pact. Both suggestions are of value even although there is an element of danger in economic boycott in the disturbance of the ordinary channels of trade that ensues from such boycott, but there is a greater guarantee than either of these two.

Philip Kerr, writing in the Journal of the Royal Institute of International Affairs, in November 1928, points out that the greatest obstacle to the peace of the world has been fear of aggression and its resultant desire for security. This desire for security resulting from fear makes for alliances and ententes, based not so much upon mutual friendships as upon common enmities and common hatreds. Nations build up armaments to increase their sense of security; this leads to counter-armaments, and counter-armaments increase the sense of insecurity; and so the mad competition proceeds, with the necessary consequences of war. There is no possibility of lasting peace if each nation is to be allowed to proceed along its own way in providing for its own security, anxious always to seize points of strategic value to itself. It is essential that the sense of fear that is behind the desire for security at the present time should be overcome: a new basis of security must be found. That basis is, in my humble opinion, the international will for peace. Secretary Kellogg expressed the same idea very simply when he said at New York on Armistice day:

> If the people are minded that there shall be no war there will be no war.

The value of the peace pact depends, therefore, upon the strength of its acceptance by public opinion rather than upon any special sanctions. The rule of law in a properly organized state does not depend upon force but rather upon the willingness of the people to submit to it and, similarly, the rule of peace among the nations of the world will depend upon their will for peace. It is for the peoples of the world to decide whether there shall be lasting international peace.

The old platonic idea of the state, in which each class had its special functions to per-

form, has gone. It is not long since it was considered that only those had the right to govern who were specially trained in the art of government. Government of the people, by the people, for the people, is a new conception. It is the ideal of democracy based upon the right of man to his self-realization and his self-determination in so far as these are possible. The ideal of democracy that pervades a normal and well ordered state will pervade the international field. We are on the threshhold of a new era, where the control of international affairs will no longer be in the hands of men trained in the old schools of diplomacy, or in the hands of naval and military experts trained by the precepts of war, but in the hands of the people themselves, desiring international peace and amity among the nations. War is to the world what anarchy is to the state, and as the rule of law has become the foundation of the state, so peace among the nations will prevail if the peoples of the world will that it shall be so. In order that the idealism of the peace pact may not be lost, it is essential that a strong international public opinion should be created, based upon a determination that there shall be no war.

The senate of the United States ratified the peace pact without reservations, and with but one dissenting vote. This must be taken as an indication of the will for peace in the great republic to the south of us.

How can Canada assist in promoting the cause of world peace? In order that she may play her proper part in promoting amity among the nations, she must become one of them, and this she is rapidly doing. She became an independent member of the league in her own right and she has been honoured by election to the council of the league. She has successfully asserted her right to negotiate her own treaties with other countries and she has sent her own ministers to represent her at the capitals of the United States, France and Japan; and these countries are all now or soon will be diplomatically represented at Ottawa. Canada has emerged definitely as a nation having a separate international personality of her own. The best proof of this fact is to be found in its official recognition by the countries that have entered into separate international relationships with her. Will anyone seriously deny that the presence of Mr. Massey at Washington and of Mr. Phillips at Ottawa are powerful factors in promoting international understanding and good will between this country and the republic to the south? So, too, I think we may safely assume that our

other ventures in international relationships with France and Japan will have similar results. In any event the ventures were made in pursuance of Canada's foreign policy of promoting international amity and I have no doubt that further appointments will be made when it is in the interests of Canada to make them in furtherance of her policy of peace.

The appointment by Canada of separate ministers to represent her in foreign countries has been strongly criticized by the hon. leader of the opposition; last session he referred to the proposal to open a Canadian embassy in Tokyo as "a bogus representation of nationality." Frankly I find some difficulty in understanding that criticism; I do not know whether he meant that the representation was bogus or that the nationality was bogus, but I pass the criticism by. Later, on September 24, less than a month after the signing of the peace pact, he addressed the Winnipeg Conservative club and is reported as follows:

> He declared that the presence of a Canadian ambassador and a British ambassador in a country would not make for that "decisiveness and rapid action" that Spender had declared to be the first requirement in foreign policy, and he quoted Napoleon as saying that an ambassador was useless unless he had the backing of force.

It may be well to review briefly the changes that have taken place in the matter of foreign policy as far as Canada is concerned in order that we may properly understand the force of the criticism and be able to reply to it. I shall not go back farther than 1911, when the Prime Minister of Great Britain declared to the representatives of the dominions and to the world at large that responsibility for foreign policy, for the making of treaties, for the maintenance of peace and the declaration of war was for Great Britain alone, and could not be shared by the dominions. That was the doctrine of centralized control thus strongly expressed, but that doctrine was repugnant to the growing desire for autonomy on the part of the dominions and it has been definitely abandoned.

Mr. ADSHEAD: Was it Premier Asquith who made that statement?

Mr. THORSON: I am not certain. In 1917 the right of the dominions to an adequate voice in foreign policy was recognized, and centralized control over foreign policy gave way to a joint control in which the dominions were to have an adequate voice. Then in 1926 the question of foreign policy received further consideration; at the Imperial conference of that year the doctrine was laid down that the dominions were autonomous communities equal in status to Great Britain and in no way subordinate to her in any aspect of their domestic or external affairs. Therefore it follows as a consequence that Great Britain can no longer commit Canada to any foreign policy unless Canada concurs in it. War will be more difficult for Great Britain to wage since she does not automatically carry the dominions with her. The necessity for consultation with the dominions is a guarantee of delay and therefore a guarantee of peace. The change is as beneficial to Great Britain as it is to Canada and it is beneficial to the world at large. It is fortunate for the movement towards international peace that "decisiveness and rapidity of action" are not as readily possible as they once were. The covenant of the league prescribes a period of delay as a safeguard for peace, and the new relationship of the British nations towards one another is likewise a guarantee of peace in as far as they are concerned. The world has suffered too much in the past from "decisiveness and rapidity of action"; it would often have been better for the peace of the world if rapidity of action had given place to delay.

Mr. BENNETT: I suppose the hon. member realizes that the observation by Mr. Spender was directed to the fact that if England had been prompt in saying that she would support France, in his opinion there would have been no war.

Mr. THORSON: I am glad to have that explanation from the hon. leader of the opposition; an utterance of the kind made by him without some explanation is unworthy of the leader of a great party.

Canada has declared her policy to be one of peace, and by her declaration that she would decide for herself what active participation she would give in time of war, after full knowledge of the facts had been given to her, she saved the peace of Europe in 1922. I refer to the Chanak incident; delay upon that occasion guaranteed peace. For over a century Canada and the United States have set an example to the world in settling their international disputes by pacific means. I quite agree that the settlements have not always satisfied Canada, but who will say that the pacific settlement of these disputes was not better than war. Canada lives in no fear of aggression, and she knows the value of peace. She is peculiarly fitted, by the composition of her people and by her understanding of the differences of language, race and creed which exist in this country, to be a competent instrument for the promotion of

peace among the nations of the world and to assist in the task of bringing about by the force of public opinion that state of international society where war as an instrument of national policy shall be no more.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, one thing that stands out in connection with this treaty is the failure of open diplomacy during the past ten years. We have just concluded ten years of pacifist rule on two continents, with the result that we have had nothing but pacifist speeches and a legion of peace pacts and agreements. The net result has been the complete failure of open diplomacy. I look upon this particular treaty as in the nature of a New Year's resolution; one makes the resolution to-day and to-morrow it will be in the waste paper basket as a scrap of paper. Canada does not need any treaty with the United States for the continuation of peace; we have had a hundred years of peace with the United States, and that peace was not founded upon pacts or agreements or documents but upon something higher than the written law, namely on ties of race and of blood and of friendship. We are of the same kith and kin and the same stock and have the same high ideals of civilization.

The ink was hardly dry on this treaty at Paris before the powers who had signed it were getting behind doors and seeing how they could break it. If this is a treaty, why are the big powers arming to-day? Mr. Kellogg of the United States is the author of this scrap of paper, because that is all it is, yet on one side of the capital of that country at Washington you hear proposals of peace and on the other side they are voting 274 millions of dollars for additional armament. There is an article and a picture on the front page of the Ottawa Journal which says that the United States are about to "junk" airplane carriers which cost $86,000,000. They have been in service only fifteen months, but already the cost of running them has shown that their design is a mistake.

We are sitting here to-day dealing with this treaty and we are not even a nation. We have not even a rowboat to protect us in case of war. We must rely upon the motherland for maritime freedom. We are content to rely on this mythical society known as the League of Nations.

We have this farce down in Washington of one secretary with a peace note and another with a war vote of 274 millions, and it is strengthened by the election of Mr. Hoover. He is a big navy man, and so have been Mr. Smith and Mr. Coolidge. Increased votes are being made by the United States for armaments both on land and sea. There has been more criticism of this treaty in the United States than anywhere else. They regard this treaty as a lot of humbug. Mr. Mussolini of Italy called it a lot of horse-play. It would be far better for Canada if it would draft a respectful note to the incoming administration of Mr. Hoover and tell him that this country wants a proper reciprocity pact with the people of the United States. Tell him that we are no longer content to take a smash on one side of our face and then turn the other side and get another crack. We would get the same treatment from either the Republicans or the Democrats. We should write a note to the people of the United States and tell them that we can no longer continue to buy $800,000,000 of high priced manufactured goods each year, nearly all of which could be manufactured in Canada, and pay for it out of our raw materials. That kind of one-sided reciprocity has gone forever. So I say, instead of putting our scrawl on some scrap of paper, it would suit the people of Canada far better if we showed a little national spirit and told the people of the United States in a note that this kind of reciprocity can go on no longer.

Mr. Clemenceau said that Lloyd George thought he was a second Napoleon. Woodrow Wilson was the author of this League of Nations, and he looked upon himself as a second Messiah or a Prince of Peace. Ten years after he has gone, what do we find? We find an utter failure of the very policy which Mr. Woodrow Wilson proposed, namely, the policy of open diplomacy as an aid to peace.

This particular note, designated in the resolution before us by the high sounding name of "General Treaty for the Renunciation of War" was signed at Paris on the 27th day of August, 1928, on behalf of His Majesty by the Dominion of Canada. This is a new effort at separatism. We are separate countries and we are making treaties over the head of the British parliament and over the head of our sister dominions of New Zealand and Australia. We are a separate country but we have no fleet. We have a little navy that hugs the shores; it is too proud to fight and too proud to put out to sea. The Prime Minister of this country would not sail over to Paris on it or from our maritime ports. He goes to New York and sails on the steamer George Washington, accompanied by Mr. Kellogg, the author of this note. If we are a nation, why did he not sail in this wonderful little fleet of ours, flying the flag of Canada instead of the Union Jack? Did the Prime Minister have a British passport, or did he take a pass-

port of our new status and our new Canadian nationality? I have never been across the ocean, but if I ever go I will never take a passport of the Canadian Department of External Affairs. I would want a British passport if I had any respect for my life, and I think every member of the house would want one too.

I said a moment ago that it was said that Lloyd George thought he was a second Napoleon. In my opinion, Woodrow Wilson thought he was a second Messiah or a Prince of Peace. The Prime Minister of this country seems to think he is the author of a new ten commandments on peace for the nations of Europe, and the big powers are going to keep them by writing notes and agreements, and before the ink is dry on them openly treat them with contempt.

This particular treaty or note was not drafted originally by Mr. Kellogg at all, he just copied it from somebody else. It was written by M. Briand as an agreement between France and America. It was enlarged upon by Mr. Kellogg to include sixty nations who were members of the League of Nations. He got in all the little fellows. The big powers like Italy would have nothing to do with it; Mussolini, the sovereign head of that country, called it a lot of horse-play. Russia would have nothing to do with it, neither would the Balkan states. The United States would not join the League of Nations and follow in the footsteps of the late Mr. Woodrow Wilson. The Kellogg note has been signed by all the little fellows in the League of Nations and they go over there and sit around the table and talk in hundreds of languages. If you went over there you would think you were in a tower of babel. There are some sixty of them now and every one of them is for the Kellogg peace note. No doubt before they are finished they will have about a hundred of them and every petty kingdom on earth will sign this magnificent note to which we are asked to put our signatures as a separate nation with a seat in the League of Nations. As I said yesterday, in regard to the decline of the House of Commons and the decay of parliament, it is just notes like these that bring about the decay of parliament and the decay of Canada as a nation. We are not a nation; we never were a nation. God forbid we ever were a nation. In the late war, but for the protection of the British fleet, the German fleet would have been across the Atlantic and up the St. Lawrence and would have blown down the citadel at Quebec. Dear knows what would have happened to us, not only in Canada but in the United States, in Boston and New York harbours, only for the protection of the British fleet.

In this particular Kellogg note and policy, what do you find? It is a sort of shorter catechism of the peace party. By the first clause it talks peace and renounces "the pomps and vanities of this wicked world and all the sinful lusts of the flesh." The first article reads:

> The high contracting parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

They solemnly renounce war as an instrument of national policy. It does not matter whether those sixty petty little countries renounce it or not because the five great powers could gobble them up at any time they feel like it should war break out again. As regards Canada, some day we shall have what is called the Pacific question on the Pacific coast and then Canada, after ten or eleven years of passiveness, will wake up to find out how we stand and to whom we owe our maritime freedom. This parliament repudiated a treaty with Japan; it declined to give a contribution to the Singapore base, which is the Gibraltar of the Pacific for the protection of British Columbia and our empire and of maritime freedom in the Pacific. New Zealand and Australia contributed something toward it; as a matter of fact, New Zealand, a country smaller than the city of Montreal, contributed five million pounds spread over a period of years. On the other hand, Canada is content to sponge on the mother country for protection. Canada wants to do all the talking it likes from the housetops about peace, but you are content to do all the sponging on the motherland for your maritime freedom.

Many of the papers in this country have spoken out about this particular New Year's resolution or Kellogg note. If the nations of the world could have ten years' rest from these peace pacts and agreements, there would be some chance of peace. Every peace pact that is proposed breeds distrust among the nations. There was one at Washington under the Harding administration a few years ago. What do they all lead to? They lead to an open distrust of one large power against another. In my opinion the League of Nations is comic opera at its worst and the Kellogg note is burlesque at its worst. The Kellogg note is nothing; the Monroe doctrine is nothing, and nothing plus nothing equals

nothing. If there is a Kellogg note there can be no Monroe doctrine; if there is a Monroe doctrine, there can be no Kellogg note, because they are the antithesis of each other. This note says that it does not interfere with any country that fights in self-defence. Did you ever know of a war in the history of the world when one party did not say that it was in self-defence they went to war? Both the high parties of the late war so contended that it was a war of self-defence. Where does the Monroe doctrine enter in this particular matter? It is, like the Kellogg note, just a scrap of paper, and I am surprised no members of parliament, knowing what we owe to the motherland, do not rise in their seats and oppose this particular pact. Lord Birkenhead had something to say to the United States in reply to Mr. Coolidge's speech attacking Europe some time ago about this matter. He had resigned his position as Secretary of State for India and he said:

> As far as England is concerned, I am not sure that we specially require it. We have not asked the United States, as far as I am aware, to do anything for us.
>
> Asserting that the United States entered the war, not from any desire to assist the allies, but solely because U.S.A. nationals were being murdered by German submarines, he said:
>
> "My answer to the President of the United States would be that we ask nothing from them except goodwill."

All Canada wants is goodwill when we discuss questions of naval policy, whether we are pacific or not. The same thing applies to the Kellogg note. The United States senate, after a day's deliberation, passed a huge war vote amounting to $274,000,000. After a great debate, which meant nothing, they decided to pass Mr. Kellogg's note, but they believed in something more practical and tangible and so they voted $274,000,000 for naval armament. The Kellogg note was automatically placed in the discard and in future will have a place in vaudeville. Time will prove that it is nothing but a lot of cant and hypocrisy. Nations are judged by acts and facts, never by aspirations or pacts, or cheap notes which nearly always turn out as scraps of paper. Let us take some of the treaties that this country has passed. We do not need a treaty with the United States to preserve peace, because if we look over the list of these treaties, we shall find that they are all scraps of paper as I call them, more so by the United States. There is the Monroe doctrine, the Jay treaty, the Rush-Bagot treaty, which has been openly treated as a scrap of paper on the great lakes where armed cruisers are enforcing United States revenue and liquor laws, then there is the Boundary Waterways treaty, 1909, which is treated as a scrap of paper by the Chicago steal. There is the Jay treaty permitting free passage of citizens between the two countries, and the United States treaty with Belgium in 1839. These were all treated as scraps of paper. The Kellogg note is not even a scrap of paper; it means nothing and it will amount to nothing for world peace. The Harding administration, five years ago, called the Washington conference and then made a scrap of paper of their resolutions as to the reduction of capital ships by passing a larger navy and army vote and a reopening of war plants as peace plants to add hundreds of ships to their merchant marine in order to catch up with and pass Britain's merchant marine supremacy. That is the way in which they kept the Harding pact. England observed that pact; she suspended the building of capital ships, but the United States did not.

The Kellogg peace pact is a fine example of smart American politics last summer with a presidential election in view. Now with the election over, the senate and the president have practically vetoed the Kellogg note. We have an example of Canada as a nation in what happened in the past two or three years in the disasters on the great lakes. We have a sample of the hypocrisy of Canada calling herself a nation and leaving the brave Canadian sailors on the great lakes to the mercy of the United States life-saving stations. When disaster threatens, instead of shouting from the housetops about Kellogg peace notes they have to wait for hours until American life-saving stations blow their sirens, and our sailors have to be saved by American life-saving crews. That is a sample of the cant of Canada as a nation and of Canadian nationalism under our new status.

Canada has made a great fuss over the Kellogg note. What does it amount to? It will amount to nothing so far as world peace is concerned. I represent a constituency of Canadian soldiers, one of the largest soldier constituencies in Canada, a constituency of British born, and the people of my riding do not believe in this peace note. They know what war is, and the harrow of it. In one large block in my constituency, in Earlscourt, there are twenty war widows, and God forbid that this country should ever see war again. These people suffered more than anybody else, but they do not believe that the government of this country is going the right way to produce a lasting peace by supporting almost every other year some new kind of peace note or peace pact and at the expense

of the freedom of the seas for the motherland which protects us.

I wish to refer for a moment to the English Review, of November, 1928, in which the great patriotic experts of the motherland write articles. It speaks of the folly in our time and of how Europe after ten years of peace talk is still an armed camp. It goes on to refer to the naval pact and its lesson, and to the danger of open diplomacy. It says:

The voice of the peacemonger resounds today over continents, to a never-ceasing accompaniment of treaties and undertakings, but we are drifting toward war. How easy it would be if we could simply scrap our armaments, sign a few more pacts, and preserve that peace which is the only serious political interest of all decent and Christian men. Instead, we must do our duty, and face naked facts. We are approaching the tenth anniversary of the armistice, and of a genuine and lasting peace there are no signs. The practice of open diplomacy and the august patronage bestowed on international intercourse by the League of Nations and Mr. Kellogg have created an atmosphere of open and public suspicion more alarming even than in the years immediately preceding 1914. Apostles of the new methods can ingeminate peace as much as they like, but they cannot shirk their terrible responsibility before the bar of history for the disastrous practical consequences of their ten years' experiment.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 23, respecting certain patent application of Stanley W. Hayes.—Mr. Jacobs.

Bill No. 27, to incorporate Barclays Bank (Canada).—Mr. Jacobs.

Bill No. 28, respecting the Pension Fund Society of the Bank of Montreal, the Molsons Bank Pension Fund, and the Merchants' Bank of Canada Pension Fund.—Mr. Guerin.

Bill No. 29, respecting a certain patent of Catelli Macaroni Products Corporation Limited.—Mr. Mercier (St. Henri).

Bill No. 30, respecting the Protective Association of Canada.—Mr. Boivin.

Bill No. 32, to incorporate The Wapiti Insurance Company.—Mr. Thorson.

WAWANESA MUTUAL INSURANCE COMPANY

On the order:

Second reading of Bill No. 31 to incorporate the Wawanesa Mutual Insurance Company—Mr. Thorson.

Mr. DUNNING: This is not indicated on the order paper as having been printed.

Mr. THORSON: This bill, according to the copy I have, has been printed and distributed.

Mr. SPEAKER: It is not so indicated on the order paper. Any objection?

Mr. DUNNING: Not printed.

Mr. SPEAKER: Stands.

RAILWAY ACT AMENDMENT

Mr. S. W. JACOBS (Cartier) moved the second reading of Bill No. 12, to amend the Railway Act (return tickets).

Mr. STEVENS: I hope the hon. member will favour us with some explanation of the intent of this bill.

Mr. JACOBS: The explanation is contained in the bill itself, Mr. Speaker.

Mr. STEVENS: My hon. friend might elucidate it.

Mr. JACOBS: It is drafted in very simple language.

An hon. MEMBER: Not legal language.

Mr. JACOBS: No, not legal language. It is intended as an amendment to section 336 of the Railway Act, chapter 170 of the revised statutes of Canada, and reads as follows:

(4) A return ticket issued by any railway company between any two point in Canada shall be acepted by any other railway company whose line runs between the same terminals.

I do not know that any explanation is necessary.

Mr. MANION: Except as to why it should be so.

Mr. JACOBS: It is intended for the convenience of the public. I think that is a good reason for bringing the bill before this house. The railway companies state it would be somewhat inconvenient as a matter of auditing for them to make this exchange. For example, a return ticket is issued, we will say, from Montreal to Toronto; the party reaches Toronto and finds it will be more convenient for him to return to Montreal on the other line; he turns in the return half to the other line and asks to be carried to his destination; this other line takes the return half, hands it over to its auditors, it passes through the clearing house, or whatever it may be called, and a refund is made by the company that issued the ticket. In England this is the rule. There they seem to have advanced a little further than we have in meeting the

convenience of the public. I myself have travelled from Glasgow to Edinburgh on the Caledonian railway with the return half of a ticket issued by the North British Railway.

Mr. DUNNING: When?

Mr. JACOBS: Not within the last week I will admit.

Mr. DUNNING: Recently, I mean.

Mr. JACOBS: No, not recently; but I have no reason to believe that that practice has been changed.

Mr. DUNNING: Some years ago?

Mr. JACOBS: Yes.

Mr. MANION: Some years ago it was not the practice. I remember having the return half of a ticket rejected by one railway to which I presented it, the ticket having been issued by another railway for a return trip between Edinburgh and Glasgow.

Mr. JACOBS: Perhaps they raised the question of the character of the passenger.

Mr. MANION: According to the immigration law they would be more likely to raise it against my hon. friend.

Mr. JACOBS: When I presented the return half of my ticket to the North British Railway it was at once taken up and I found myself in Glasgow within an hour. If the only objection is a question of auditing between the two railway companies, I do not think it ought to weigh with this house. My hon. friend can understand that in the case of a return ticket issued to a person travelling, say, from Montreal to Toronto, he may find when he wishes to get back to Montreal that there is no sleeping accommodation on the issuing line, but that he can secure a berth on the other line. In that event why should not the return half be accepted by that other company? It can be turned in by the passenger himself when he reaches Montreal or even when he arrives in Toronto. It is only a question as to who shall collect the money, the passenger himself, who may have run short of cash after he has been in Toronto one or two days,—

Mr. STEVENS: Not if he came from Montreal.

Mr. JACOBS: That may be;—and he may find it necessary to get home as fast as he can. There ought to be no reason in the world why the two railway companies should not get together and provide a convenience of this kind for passengers. It is purely in the interest of the passenger that I present the bill, and not for the convenience of the railway companies. The bill might reasonably be sent to the railway committee and there be threshed out. I understand that the railway companies in the past have retained counsel to oppose such a bill, and from 1921 to this date I am sorry to say, they have been successful. At any rate, I submit that the bill should go to the railway committee. I am inclined to think that the intellectual calibre of the house is a little higher than it has been in the past, and for that reason I hope the bill will go through.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I do not desire to oppose the hon. member's suggestion that the bill be referred to the committee on railways, canals and telegraph lines. I do not oppose it, for the reason that such a reference would give to the railway companies and to the officers of the companies an opportunity to put forward all the reasons why, in their opinion, the bill should not pass. The information I have regarding the matter indicates that more difficulty and more expenses would be involved than my hon. friend appears to believe would be the case. With regard to the statement he made respecting British practice, my information is that during and shortly after the war it was possible for a time in Great Britain for persons to travel by one road on a return ticket of that railway and to come back by another road, as my hon. friend intimates. I am also informed, however, that a number of years ago this practice was discontinued in Great Britain and exists to-day only under special permit conditions where the rail service, by reason of the financial difficulties in which the transportation companies there find themselves at the present time, has been curtailed. There has been a reduction in train service, and in such cases, where the curtailment operates to make it difficult for the holder of a return ticket conveniently to return on the same line, he may obtain a permit to use the ticket over another road. My hon. friend would not desire to have his bill so amended as to involve the necessity of securing a permit before one could use the ticket over another line. My advice is that this is the condition that prevails in Great Britain at the present time.

The objections advanced by the railway companies—with which objections the hon. member, in view of the previous experience he has had with a similar bill in other sessions, is reasonably familar—rest broadly upon the

basis of the confusion which would result, and the difficulties surrounding contractual relations of this kind as between the passenger on the one hand and the company which has entered into the original contract on the other, and also a third company which might under the law be compelled to assume part of that contract notwithstanding that it had not been a party, in the first place, to such contract. I am merely re-stating in this connection the objections registered on former occasions by the railway companies themselves to the proposed arrangement. However, in view of the convenience to the public which my hon. friend urges would result from the adoption of such a measure, the government will be perfectly content to have the bill pass its second reading in order that the possibility of the suggestion may be thoroughly examined by the railway committee.

Mr. MANION: As I asked a couple of questions regarding the matter, it is possible that I may be taken as opposing the bill. As a matter of fact, I was neither opposing nor supporting it. As regards the incident to which my hon. friend has referred, when, as he says, he was going from London to Glasgow—

Mr. JACOBS: Glasgow to Edinburgh.

Mr. MANION: —Glasgow to Edinburgh, the stations were exactly the same. A few years before that, a similar incident occurred in my own experience and there was a refusal to give a return ticket, so that I had to pay a second fare to return from Glasgow to Edinburgh after I had gone by one road from Edinburgh to Glasgow.

Mr. JACOBS: They should have issued a return ticket to a returned soldier.

Mr. MANION: I was not a returned soldier at that time. I mentioned this in order to show that the rule has not always been the same. I do not know what it is now, but at the time of which I speak the rule was not as has been indicated. As I say, I am neither opposing nor supporting the bill, because I think it should go to the railway committee. The point I make, however, is this: A man, in buying a return ticket from one railway or the other, gets a special fare by reason of that very fact that he buys the return ticket from the one company; the railway gives him a favour because it gets the return passage. I do not see, therefore, unless it can be proved that the return fare is equitable to both railways, why another railway should be forced to accept it. That is why I asked the question. I am on the railway committee and I am open to conviction either way in this matter.

Mr. JACOBS: In my bill it could be provided that when the ticket is turned over to the other railway company the passenger will have to pay the additional sum, so that he does not get the advantage of the reduction due when a return ticket is bought.

Mr. MANION: That is different; I did not understand that.

Mr. ROSS (Moose Jaw): The reason, I believe, why the railway companies give return tickets at liberally reduced rates is to secure the double travel on their lines. My hon. friend's bill proposes to give a privilege to the travelling public. I do not believe the Railway Act compels the railway companies to sell return tickets, and therefore if the bill passes, instead of giving an advantage to the public, the railways will in all probability discontinue selling return tickets, to the detriment of the public.

Mr. JACOBS: In Canada we have two railway systems issuing tickets, in the summer months, at any rate,—I do not know whether it applies all the year round—

Mr. SPEAKER: Does the hon. member intend to close the debate? If so, I may inquire whether other hon. members wish to speak.

Mr. ADSHEAD: May I ask the hon. member a question?

Mr. SPEAKER: This is not the committee stage, but the hon. member may speak to the question.

Mr. ADSHEAD: On one occasion this year I was at a point where the Canadian Pacific and the Canadian National join, both railways going to Calgary. One route is longer and the charge over that line is four or five dollars more than in the case of the other. How would that work out?

Mr. JACOBS: I was going to remark—

Mr. SPEAKER: This will close the debate.

Mr. JACOBS: —that, without reference to other countries, we have in Canada two railway companies who have an arrangement whereby in the summer months—this may be done perhaps at other times also, although I am not aware of it—a return ticket is issued from Montreal to the Pacific coast returnable by Prince Rupert; you travel to Vancouver on the Canadian Pacific railway and

return via Prince Rupert on the Canadian National railway. That is the system I want to have legalized, so to speak, for every part of the country. If it is not an inconvenience for the railways to carry a passenger across Canada surely it would not be an inconvenience to carry a passenger two or three miles.

Mr. DUNNING: Is it not a fact that in the case of a ticket such as my hon. friend refers to, issued over the Canadian Pacific railway to Vancouver and over the Canadian National railway from Prince Rupert, it is a part of the contract that the holder of the ticket must travel by that route?

Mr. JACOBS: Being bred to the law I do not place so much value on so-called contracts as my hon. friend may. This contractual relation referred to could be easily established by legislation providing that the same contract entered into by the issuing company shall be followed by the company bringing the passenger back.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

NAVIGABLE WATERS PROTECTION ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved the second reading of Bill No. 14, to amend the Navigable Waters Protection Act.

He said: This bill seeks to amend chapter 140 of the revised statutes of Canada, known as the Navigable Waters Protection Act; which was placed on our statute books before cheap hydro light and power came into being in the province of Ontario or practically anywhere else in Canada. The object of chapter 140 and the act ahead of it was to provide that no works should be constructed which would interfere with navigation, but since that day over 800,000 horse-power of electricity has been developed in Ontario. Some years ago the late Sir Adam Beck proposed to erect a dam at Morrisburg for the generation of electrical power; that application preceded the application of the Beauharnois company by four or five years, but the government of Ontario and the hydro-electric commission could get no satisfaction from this government. The application was held up for approval and was finally refused. Now it is proposed to allow this Quebec company to divert 40,000 second feet of water from that international stream, and if this is done it will sound the death knell of the St. Lawrence waterway.

A leading paper in this city went to bed one night opposing this proposition and woke up in the morning in favour of it, for some reason which I do not understand. In the old days when the Grand Trunk Pacific was launched by Hon. George A. Cox and others the promoters told the people what great benefits it would bring to Canada, and the Liberals watchword was, "Cox can't wait." Now the battle cry of the Liberal party is 'Jones can't wait; Gundy can't wait, but the parliament of Canada can wait. This magnificent Evening Journal of Ottawa, which has been a mill-stone around the neck of the Conservative party for years—in Ottawa so much so that we cannot elect our candidates here—says that parliament has no more to do with this proposition than it has to do with the pyramids of Egypt. That is wonderful logic. On the one hand we have the papers complaining about the Chicago diversion of 10,000 second feet from lake Michigan, yet we are told that parliament has nothing to do with this proposition. If 40,000 cubic second feet are taken from the St. Lawrence there will not be enough water left for navigation or the harhour of Montreal. Officials of the Canada Steamship Lines who appeared before the Minister of Public Works on this application said there would not be enough water in the rapids to permit navigation, and we know that there is some danger now in that respect. I think we should postpone this application until May and then have the members of parliament and the senate go to Cornwall and take a steamer over the river and look over the situation. They could do that in five or six hours and it would show the folly of handing over this waterway to private individuals to make millionaires overnight of Mr. Gundy of Toronto, Mr. Jones, Sir Herbert Holt and others.

Let me tell the government that they are doomed if they grant that permit; there are still a number of papers throughout Canada upholding public rights, and they will not be quiet if this permit is granted. The farmers now are asking for cheap light and power for their farms. The great issue in the United States during the last election between Mr. Hoover and Mr. Smith was farm relief; what is this government going to do in the way of farm relief? One of the greatest boons given the farmer in the United States is cheap light and power, which greatly lessens his labour. In the monthly publication issued by the National City Bank of New York City there appears a table showing how farm labour has been reduced and efficiency increased through the utilization on the farm of hydro-electric power and its use in machinery of all kinds on the farm. According to the table one hydro-electric machine can do

the work of eighteen or twenty hired men. I have not time to go into that at present, but I must say that the farmers of Ontario want this power and are opposed to handing it over to private ownership.

There was a debate in this house on the Great Lakes and Beauharnois application on the 9th and 11th of May last year, when the bill was up for a second reading and I moved the six months' hoist. It stood in the name of the then hon. member for Joliette Mr. Denis, who is now on the bench of the Supreme Court of Quebec, and when he was asked to explain this Beauharnois canal proposition he was unable to do so. He did not know whether he was in favour of the principle of the bill or not. When a vote was taken it stood fifty-six for the six months' hoist and about fifty-nine against it, but as it was after nine o'clock before the vote was recorded the bill was laid over. In that particular debate it was stated by some members on this side of the house, and the members of the Progressive party, that the issues involved were sub judice, having been referred to the supreme court of Canada on the St. Lawrence waterway reference. The whole question of the ownership of this St. Lawrence waterway, and the division of authority between the federal and the provincial governments was in dispute. The provinces contended that they owned the bed of the river, and the banks and rapids subject to the rights of navigation, and also the surplus waters of these boundary international waterways subject to navigation rights.

Another fact enters into this proposition, and that is the rights of the United States and the state of New York in this international stream. What are the rights of the provinces of Ontario and Quebec in the flow of this international river? Our government to-day is not a government by the people, of the people, and for the people. As I said the other day, democracy has been a failure in this country. I notice the decay and decline of parliament and of parliamentary institutions, as is evidenced by the application made a few days ago and which was heard by the Minister of Public Works (Mr. Elliott). The Minister of Public Works is the only minister named in this particular act, chapter 140 of the revised statutes of Canada, known as the Navigable Waters Protection Act. While the minister always hears these applications himself, on this particular occasion he had to have two gentlemen known as Alphonse and Gaston beside him. It looked as though the government thought the minister was not strong enough to hear the merits of this case as he leaned towards public rights and their protection.

I will admit that some of the members for the province of Ontario, on both sides of the house, have not had the backbone to stand up for this empire province of Ontario in this house. This great empire province of Ontario has more economic problems to solve than all the other provinces put together, you might say. We hear something about maritime rights, prairie rights and Pacific coast rights, but you very seldom see a representative from the province of Ontario standing up to protect the vested rights of our province and the solution of its economic ills.

When this application came on for a hearing before the minister, he was quite aware that there had been a debate in this house. He was aware that the very questions involved there, as to the division of authority and the sovereign rights of the provinces and the Dominion, had been referred to the courts by an order in council. The other day the supreme court gave a decision on these very questions, but I must say they gave it in a very futile manner. The very same questions are involved in this Beauharnois permit and the passing of this application for 40,000 second feet of water for power purposes, which will ruin navigation and kill forever the St. Lawrence waterway.

When this application was heard the minister had to be flanked on the right and left by two other ministers, and you would think that the Minister of Public Works was incompetent to hear this question. The government decided that he should have two official guardians, one sitting on his right and the other on the left. The official guardian on the right was the Minister of the Interior (Mr. Stewart) who the other day at Windsor said it was good-bye to the St. Lawrence waterway.

This is the same gentleman who, when he was asked last session to produce the papers referring to the giving away of the Seven Sisters falls to a monopoly in the city of Winnipeg known as the Winnipeg Electric Company, gave us to understand that there would be no grant or lease made in the recess of parliament. But a few days after parliament prorogued, notwithstanding the opposition of the Liberal members from the city of Winnipeg, and the Progressive members, he handed over to this company a grant of the water power of the Seven Sisters falls. But they are going to have a general election in Manitoba on that particular question in a few days, and it will be found that the farmers of

that province will stand up for the boon of cheap light and power and oppose the Seven Sisters raid.

On the other side of the Minister of Public Works was the Minister of Marine and Fisheries (Mr. Cardin). He also was one of the official guardians present to help along the permit. Was anyone there to stand up for the rights of the public, or to point out on this application of these water-power private company grabbers that the public had some rights in this river? Was there no one there to tell the minister that these very questions were involved in the reference to the supreme court and that navigation would be ruined on the river? That reference to the supreme court is sub judice still at the present time for some people, but not for others. When the Alberta resources question was said to be sub judice, a debate on it was ruled out of order, but so far as this Beauharnois proposition is concerned it did not matter whether the question was before the court or whether it was sub judice, as Jones and all the others could not wait.

When the Prime Minister was asked the other day if the government would issue a permit for the canalization and water-power development of the St. Lawrence, he replied to the hon. member from Winnipeg (Mr. Heaps) that the application would have to follow the procedure under the Navigable Waters Protection Act, and that it would have to go through the ordinary procedure. That procedure would be all right if it was to apply to a small harbour at Oakville, Ottawa, Three Rivers, Chicoutimi or some other place, but when they propose to take 40,000 second feet of water out of the St. Lawrence river, an international stream, and divert that for private purposes then it is another matter especially as there are joint relations with the United States and Ontario in this river to consider.

The object of my Bill No. 14 is to amend chapter 140 of the revised statutes of Canada. It provides that the jurisdiction now vested in the Minister of Public Works shall be repealed in so far as it affects any international boundary waters. Section 1 of the bill provides that the following shall be inserted immediately after section 9 of the act:

> 9a. (1) No work except harbour improvements shall be commenced or constructed in, upon, over, under, through or across any international navigable boundary waters between the Dominion of Canada and the United States of America, or any part of the river St. Lawrence, without the approval of parliament or on any terms or conditions other than those approved by parliament.
>
> (2) Plans of any such work, in duplicate, and a description of the proposed site, shall be deposited with the Clerk of the House of Commons.
>
> (3) No order in council, regulation or permit purporting to grant the right to commence or construct such work shall have any force or effect unless authorized by parliament.

[Mr. Church.]

In the Navigable Waters Protection Act "work" is defined as follows:

> "Work" includes any bridge, boom, dam, aboiteau, wharf, dock, pier or other structure, tunnel or pipe, or telegraph or power cable or wire and the approaches or other works necessary or appurtenant thereto, or any work, structure or device, whether similar in character to the foregoing or not, which may interfere with navigation.

This particular bill does not interfere with any legitimate harbour development, but it places on parliament the responsibility of deciding whether it will give away, under the guise of power, this magnificent heritage known as the St. Lawrence waterway to a few private millionaire citizens of this country who are only too eager to get hold of the title deeds. As I said the other day, what the present government needs is a chief bouncer to clear out of the parliament buildings these gentlemen who spend most of the year in the city of Ottawa trying to grab the public domain and the natural resources of the mines, the timber, the forest and water powers of Canada; this magnificent heritage, and divert it to private greed and gain over the head of parliament.

What is parliament for? We might just as well all go home, because to-day in this country democracy is a failure. The cabinet rule; if they had their way they would have given the Beauharnois people what they asked for. Of course they would, because we have in office to-day a government that is just a combination of big interests and appetites in regard to the preservation of these water-powers for the people. That was shown in connection with the Gatineau river when Sir Clifford Sifton and his friends came here a year or two ago and almost got away with the Calumet and Gatineau power proposition in the Ottawa valley. It was shown last session when the then hon. member for Joliette brought in a bill known as the Great Lakes bill to give this Beauharnois company this magnificent heritage away down in the St. Lawrence. By that particular bill the company asked not only for power rights but for power to build that section of the St. Lawrence waterway as a navigation canal. As is shown in the discussion which took place on my motion for the six months' hoist of this bill on May 9 and 11 of last year, this company was going to be a canal company as well, in order to take toll from ships passing

through the St. Lawrence. They had in the bill of 1928 an application to build the navigation canal as well as a power canal and it was one of the most barefaced applications ever made in this legislature. In asking for permission to build this navigation canal they were asking for power to upset the whole settled canal policy of Canada from 1854 when the government of Canada took over the canals of this country. There was never any trouble in this regard from 1854 until last year when this company came along and asked parliament to upset the settled canal policy of the country in order that they might collect tolls for navigation canal purposes by their bill in this part of the St. Lawrence waterway. Did anyone ever hear of such a thing? Where is it going to end? I can tell you where it is going to end. The government to-day has simply made a football of the St. Lawrence waterways; the government of the day can solve no great economic question in this country. They do not govern at all; they are just a government of stand-patters. They believe in the doctrine of laissez faire—let well enough alone. The government do not believe in the St. Lawrence waterways. If this permit is ever issued to these gentlemen, many of whom have been made millionaires by acts of parliament and power privileges under the guise of the Navigable Waters Protection and other acts, it is good-day and goodbye forever to the St. Lawrence waterways. What do the members from Ontario and the members of the Progressive party think of the way in which this matter has been handled by the government and the Department of Public Works?

I can only say in conclusion that the bill before the chair to-night places the responsibility on parliament instead of on the government. Are you or are you not in favour of allowing these people to divert 40,000 second feet of water for power purposes and so destroy the river for navigation purposes? It may be wholly in Quebec but the waters are international waters. Are you going to have this grab principle adopted all the way from lake Superior to the port of Montreal on both sides of the boundary line? Chicago is taking water out of lake Michigan. They propose to build another canal at Sault Ste. Marie; they propose to divert water at or near Cleveland by another canal down the Ohio valley as far as New Orleans. They propose to take water from the watershed of Canada right down from Cleveland or near there to the Mississippi valley and river to New Orleans for a waterway. Further down at the port of Ogdensburg they propose to take more water out of the river and divert it to Albany in the state of New York for power and navigation purposes. Last but not least we have this application.

The St. Lawrence waterway proposition is the greatest economic problem there is on this North American continent to-day and the two political parties in the house seem to be running away from it. The party that settles the problem aright will rule Canada for many a day. If this permit to the Beauharnois power people is passed—and it is wrapped up in this particular bill before the house to-night—if this application is passed under the guise of Navigable Waters Protection Act allowing 40,000 second feet of water to be handed over to these people, it is good-bye forever to the St. Lawrence waterway.

I move the second reading of the bill and the responsibility is now on the house and on the government to decide whether we are going to preserve for the people for all time this magnificent waterway.

The house divided on the motion (Mr. Church) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Bennett,
Bowen,
Brady,
Campbell,
Cantley,
Carmichael,
Casselman,
Charters,
Church,
Cotnam,
Cowan,
Dickie,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Embury,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Grimmer,
Guthrie,
Hanson,
Heaps,
Hubbs,
Irvine,
Jelliff,
Kaiser,
Kellner,
Kennedy,
Lawson,
Lucas,
Luchkovich,
Macdonald (Richmond-West Cape Breton),
MacLaren,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
Maloney,
Manion,
Matthews,
Peck,
Pettit,
Plunkett,
Price,
Quinn,
Robinson,
Ross (Kingston City),
Ryerson,
Short,
Simpson,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Speakman,
Spence,
Spencer,
Spotton,
Stevens,
Stewart (Leeds),
Stinson,
Thompson,
White (London),
Woodsworth.—72.

NAYS

Messrs:

Allan,	King (Kootenay East),
Bancroft,	King, Mackenzie
Benoit,	(Prince Albert),
Bettez,	Lacombe,
Blanchard,	Laflamme,
Bothwell,	Lapierre,
Bouchard,	Letellier,
Boucher,	Lovie,
Boulanger,	Macdonald
Bourassa,	(Glengarry),
Bourgeois,	McLean (Melfort),
Bowman,	McIntosh,
Bradette,	McKenzie,
Cahill,	McMillan,
Cannon,	McPhee,
Cardin,	Malcolm,
Cayley,	Millar,
Denis,	Morin (Bagot),
Desaulniers,	Morrissy,
Descoteaux,	Neill,
Deslauriers,	Perras,
Dionne,	Prévost,
Donnelly,	Ralston,
Dubuc,	Raymond,
Duff,	Rinfret,
Dunning,	Robb,
Dussault,	Robitaille,
Edwards (Ottawa),	Ross (Moose Jaw),
Elliott,	Sanderson,
Euler,	Séguin,
Fafard,	Sinclair (Queens),
Fiset (Sir Eugene),	Smith (Stormont),
Fontaine,	Steedsman,
Forke,	Stewart (Edmonton
Gershaw,	West),
Gervais,	Sylvestre,
Girouard,	Telford,
Hall,	Tobin,
Hay,	Totzke,
Heenan,	Vallance,
Hepburn,	Veniot,
Howden,	Young (Saskatoon),
Jacobs,	Young
Jenkins,	(Weyburn).—85.
Johnston (Long Lake),	

And the clerk proceeding to announce the result of the vote:

Mr. BENNETT: Mr. Speaker, I rise to point out—

Mr. SPEAKER: Order.

And the result of the vote having been announced:

Mr. BENNETT: Mr. Speaker, I was about to direct your attention, when I was ruled out of order, to the fact that there are hon. members in the chamber who did not vote on the motion, and the matter before the house being a private bill, unless there are specific reasons the rules require hon. members to vote. I was proceeding to direct the attention of Your Honour to that fact before the vote was announced, in order that Your Honour might take the necessary steps to see that the hon. members present and not voting should have the opportunity to have their votes recorded.

[Mr. Church.]

Mr. GOTT: I was paired with the hon. member for Kent (Mr. Rutherford). Had I voted, I would have voted for the second reading of the bill.

Mr. POWER: In connection with the remarks of my hon. friend the leader of the opposition, I am paired in a species of gentleman's agreement with the hon. member for East Hamilton (Mr. Rennie). I consider that the agreement I made with the hon. member for East Hamilton concerns myself and him alone, and nobody else. I consider that I was paired with him on this vote, and therefore I did not vote.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted, I would have voted for the motion.

Mr. TUMMON: I was paired with the hon. member for Chambly-Vercheres (Mr. Langlois). Had I voted, I would have voted for the motion.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted against the motion.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for Toronto South (Mr. Geary). Had I voted, I would have voted against the motion.

Mr. MacDONALD (Cape Breton South): I was paired with the hon. member for Springfield (Mr. Bissett). Had I voted I would have voted for the motion.

Mr. JOHNSTONE (Cape Breton): I was paired with the hon. member for Stanstead (Mr. Baldwin). Had I voted, I would have voted for the motion.

Mr. BENNETT: Before Your Honour rules on the point I raised, may I direct your attention to rule 68, which says:

> If a member who has heard the question put does not vote, and the attention of the Speaker is directed to the fact, the latter will call upon him to declare on which side he votes; and his name will be recorded accordingly.

I rose before Your Honour declared the result of the vote to direct attention to the rule, with which I was familiar in order that Your Honour might ask the gentlemen who had not voted upon which side they desired to vote, so that, in the language of the rule, their names should "be recorded accordingly." The hon. members who did not vote are the hon. member for Dauphin (Mr. Ward), the hon. member for one of the Winnipeg constituencies, and the hon. member for Marquette (Mr. Glen).

Mr. SPEAKER: If my hon. friend will read a little further down, he will see in paragraph 77 the following:

There can be no parliamentary recognition of this practice (pairing), although it has never been expressly condemned; and it is therefore conducted privately by individual members, or arranged by the gentlemen known as the "whips" who are entrusted by their political parties with the office of collecting their respective forces on a division.

I can quite understand that if an hon. member was not paired and did not vote, he might be forced to declare his vote but this rule or parliamentary custom is rarely enforced. It is left to the conscience of the hon. member to do his duty.

As regards pairs, pairs are not recognized by the Speaker. As the hon. member for Quebec South (Mr. Power) has just said, pairing is a gentleman's agreement between hon. members themselves, but out of this custom of pairing has grown another custom, that of recording the pairs in Hansard.

Mr. BENNETT: I trust that Your Honour realizes that I was not in any sense dealing with the question of pairs. I directed attention to the fact that three members of this house who do not claim to be paired did not vote, and the rule requires that Your Honour shall ask them how they desired to have their names recorded on the question. That is the only point I raised.

Mr. SPEAKER: I took it that the hon. gentlemen who did not vote were paired.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: If they were not paired, they should have declared how they would have voted.

Mr. BENNETT: That is why I am asking Your Honour to call them.

Mr. CAHAN: Mr. Speaker, I did not vote; I am not paired. I came in at the latter part of the discussion, and when the vote was called I was attempting to read the bill. Having read it, I say I would vote against the bill because I believe it to be utterly beyond the powers of this parliament to pass.

Mr. GLEN: Mr. Speaker, I am mentioned as one of those who did not vote. I did not vote because I had no opportunity of giving the vote I wished to give. We on this side of the house were never asked whether we were in favour of the motion or not.

Mr. STEVENS: Hear, hear.

Mr. GLEN: Had I been asked if I was in favour of the motion, I would certainly have voted for it.

Mr. McLEAN (Melfort): Before there is any attempt to enforce the rule that has been referred to, I should like to draw to the attention of Your Honour the fact that last session under somewhat similar circumstances you ruled that, it being then the custom in the British house not to insist that members who were in their seats should announce the manner in which they would vote, you would adopt the same practice here. Having so ruled last session, I fail to see why there should be a change made now.

Mr. BENNETT: That is not the rule.

Mr. SPEAKER: There were so many rulings made last session that I cannot exactly recall the circumstances to which the hon gentleman refers.

Mr. DUNNING: I wish to say, Mr. Speaker, that while I voted on this motion I was paired with the hon. member for Lincoln (Mr. Chaplin), but I was under the impression that on this occasion I was not bound by the pair.

Mr. BENNETT: Quite so.

Mr. WARD: Mr. Speaker, had I been given an opportunity to cast my vote as I desired, I would have voted for the motion.

Mr. THORSON: I am in the same position as the hon. member for St. Lawrence-St. George (Mr. Cahan). I came in after the discussion, and I am of the same view as he—I would vote against the motion.

Mr. SPEAKER: The hour for private bills and public bills being exhausted, the house will now revert to the debate on the motion respecting the treaty for the renunciation of war.

INTERNATIONAL PEACE

MULTILATERAL TREATY FOR THE RENUNCIATION OF WAR

The house resumed consideration of the motion of Right Hon. W. L. Mackenzie King (Prime Minister):

That it is expedient that parliament do approve of the general treaty of the renunciation of war, which was signed at Paris, on the twenty-seventh day of August, nineteen hundred and twenty-eight, on behalf of His Majesty for the Dominion of Canada by the plenipotentiary named therein, and that this house do approve of the same.

And that a message be sent to the senate to acquaint their honours that this house unites with the senate in the approval of the above-mentioned treaty;

And that the clerk of the house do carry the said message to the senate.

Mr. CHURCH: Mr. Speaker, this afternoon I spoke for twenty minutes and I quoted the first article of the peace pact. Now—

Mr. SPEAKER: Order, please. I cannot hear the hon. gentleman.

Mr. CHURCH: This is article II:

> The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

Very charming and very laudable words for a pact with the people of the United States! The ink was scarcely dry on this treaty when the three great powers publicly and otherwise showed what they thought of all this nonsense. Only yesterday the British ambassador at Washington, Sir Esme Howard, in an interview announced that another disarmament conference would be called shortly, to which the overseas dominions would be invited to discuss another note, if you please, between Great Britain and the United States for the reduction of naval armaments. I do not know if he is speaking for the British cabinet. How many more of these notes or pacts are we to have ratified by Canada?—a separate nation and a separate country. Because that is all we are. We are a separate nation without an army or a navy to protect us.

The note sent out by the United States was treated with a great deal of levity by the United States and by many newspapers, so much so that in the United States senate, Senator Burton denied the necessity for naval parity between Britain and America. He pointed out the peculiar needs of Great Britain for a powerful navy and many light cruisers. He ridiculed the suggestion that the British navy might be used against the United States. The proximity of Canada, he said, was one of the many potent reasons why Great Britain would never attack the United States. He pleaded with the senate not to make "a mockery" of the multilateral treaty by providing for increased armaments.

Is Canada to play America's dual role as peacemaker and advanced war voter all along the line? The Kellogg note is a sham, for every war is a war of self-defence, and notes cannot alter facts nor acts of parliament change economic laws. The Kellogg note, like its ancestor the Monroe doctrine, is a mere myth and has produced more distrust than ever and one result of it will be a design to rob England of her naval supremacy. The note will deceive only those who are as blind to the real situation in 1929 as they were from 1909 to 1914. It seems to me after the stormy career of the Kellogg note in Europe and America, the said note should be referred to a psychical clinic for investigation as to what it contains. It needs a tonic.

I should like to read to the house the views of some of the greatest writers and economists in the motherland. For instance, the editor of the English Review in the November issue holds the Kellogg note up to ridicule and scorn in these words:

> Ten years ago the central empires, which pursued with a fatal diligence the philosophy of force, were beaten to their knees. Europe was dominated by a coalition of peoples fundamentally peace-loving. Russia, the black sheep of the victorious allies, had gone down in defeat. England, France, and America dominated the scene. Here was a chance, it seemed, for a new start; for here, we assumed, were three nations each content with their place under the sun. To-day, what do we see? America, arch-organizer of peace, has exacted a heavy tribute from Europe which she is using to finance a vast programme of naval and military expenditure. Having increased her army and navy, she comes to Europe to preach disarmament—not to Russia, which maintains millions of men under arms; not to Italy, which pursues with almost devastating candour an openly agressive nationalism; not to the Balkans, where there is no more sign of peace to-day than in 1912; but to France and England and Poland; to France, who can see the Italian army openly manœuvring along her frontier but who is yet reducing her own army by two-thirds; to Poland, already once invaded by Russia; to England, who has surrendered voluntarily the two-power naval standard. Leagues, covenants, pacts and disarmament conferences have become the diplomatic weapons of the new Real-Politik as pursued by at least three great powers. The chief abettors of the campaign, watched with cynical amusement by the armed nations of southern and eastern Europe, have been the so-called progressive press and the intelligentsia in this country. If they are satisfied with their handiwork, they are either fools or knaves. Europe is drifting toward war because certain European pressmen and statesmen refuse to face facts. Let us state the facts plainly. It is not yet too late.

The first fact is, as Mr. J. O. P. Bland points out in his article in this issue, that you can have national sovereignty or a supernational sovereign authority, but you cannot have, as we pretend to have, a supernational power without either sovereignty by right or authority based on force. The league, in plain English, is merely an international post office, and as constituted can never be anything else.

The second fact is that the scale of armaments is a matter for each nation. Armaments are not the weapon of the strong but the refuge of the weak; negotiations about armaments mean, in the long run, a scaling up, not a scaling down. The nation which accepts a maximum armament is sacrificing its freedom of action and must place that maximum high, and the maximum becomes the minimum. The third fact is that every pact which is propounded widens the danger area and adds to the risks of war. The fourth is that open diplomacy is a fraud, not only because it places nations at

the mercy of formulae, which mean one thing and appear to mean something else, but mainly because it prevents plain speaking between nations. Burke said truly that you cannot indict a whole nation, but you could not practise open diplomacy honestly without doing so. Lord X. can say "no" to Count Y., but Ruritania cannot say "no" to Cisalpania. A world, however, where the direct negative cannot be employed is a world where the trickster will flourish and honest man will be fleeced. There is only one reason why I do not speak more plainly, and that reason is the justification of my argument.

Now let us see what Bernard Shaw has to say in regard to this wonderful mock parliament known as the League of Nations, which is doing more to create strife than any other agency I know of. In my opinion they should change the name from League of Nations to League of Humbug, because that is all it is. In an article entitled "The League of Nations —A First Visit Impression" Bernard Shaw has this to say:

When my presence at Geneva during the annual assembly of the League of Nations was mentioned in the Press, I received several letters, of which the following is a fair sample:

"I cannot help being rather surprised and shocked to read that you 'sit on the bench of mockers and hyprocrites' . . . In this country every little child knows that the League of Nations is only a bluff and nothing but an instrument for the policy of the Allied forces. . . . I really am at a loss to understand why you don't feel your responsibility as a Mental Tutor of the World, when taking such a step as taking part in the comedy of Geneva, which is a tragedy for every country that does not find mercy in the eyes of the world's High C Finance."

This letter is not a statesman's utterance. It is a crude expression of the popular impatience which sees no more in the league than an instrument for the instantaneous extirpation of war, and is ready to throw it on the scrap-heap the moment it becomes clear that no such operation is possible, and that the big powers have not, and never have had, any intention of relinquishing any jot of their sovereignty, or depending on any sort of strength and security other than military.

Roughly and generally it is a fact that the pacifist oratory at the Assembly is Christmas card platitude at best and humbug at worst. The permanent departments of the league have to fight hard to defeat the frequent attempts to sabotage it by the big powers through their deciduous members.

Whilst I was there the press was keeping the public amused, not to say gulled, by gossip about the assembly meetings, at which nothing happens but pious speeches which might have been delivered fifty years ago. It was so impossible to listen to them, or to keep awake during the subsequent inevitable translations, that the audience had to be kept in its place by a regulation, physically enforced, that no visitor should be allowed to leave the hall except during the five minutes set apart for that purpose between speech and translation. Fortunately, the young ladies of the secretariat, who have plenty of dramatic sense, arrange the platform in such a way that the president, the speakers, and the bureau are packed low down before a broad tableau curtain which, being in three pieces, provides most effective dramatic entrances right and left of the centre. When a young lady secretary has a new dress, or for any other reason feels that she is looking her best, she waits until the speaker—possibly a Chinese gentleman carefully plodding through a paper written in his best French—has reduced half the public galleries to distraction and the other half to stertorous slumber, when she suddenly, but gracefully, snatches the curtains apart and stands revealed.

That is all the League of Nations is. Bernard Shaw continues:

A very able administrative official, whose heart and soul are in the league, told me that he has been at Geneva eight years, and never attended one of these assemblies yet. He expressed no intention of remedying that hiatus in his experience.

Then at page 528 of the same issue he says:

I stress this because, as a matter of fact, Mr. Kellogg has been duped into taking a stealthy step backward towards war under the impression that he was making a colossal stride towards peace. By the original covenant of the league, the powers were bound not to make war until they had first submitted their case to the league; that is, without a considerable delay. Since then the big fighting powers have been trying to extricate themselves from this obligation and recover their old freedom to make war without notice whenever they wanted to. Their first success in this direction was the Locarno agreement, the second the Kellogg pact. Both of them established conditions under which the covenant might be violated; and the Kellogg pact put the finishing touch by providing that the powers might go to war at any time "in self-defence". What this means can be appreciated at once by the fact that the German attack in 1914 was, perhaps, the most complete technical case of self-defence in military history. Germany's avowed enemy, Russia, having mobilized against her. But, indeed, since such excuses for war became conventional there has never been a war which lacked them. Of all the wars which Commander Kenworthy, in his significant book, "Will Civilisation Crash?" has shown to be on the cards, including, especially, a war between the British Empire and the United States, there is not one that could not be and, if it breaks out, will not be, represented as a war of self-defence on both sides. Mr. Kellogg had better have privileged wars of aggrandisement or revenge, because any power claiming the privilege would at least have been in an indefensible moral position. The only possible policy for the league is steadfastly to ignore all the much-advertised proceedings at Locarno and Paris exactly as it was itself ignored on both occasions, and insist on the covenant as still binding.

So far as the league is concerned, it runs counter to the Monroe doctrine. The Kellogg pact does not apply where war is waged in self-defence. But all wars are wars of self-defence. At page 139 of the February issue of the English Review the editor says:

America has ratified the pact after an amazing debate, unreported over here, in which the pact was energetically defended on the ground that it committed no one to anything, and left the United States with a free hand to interpret the Monroe Doctrine as, when, and where she liked. The debate was not reassuring for lovers of peace. It disclosed a very strong determination on the part of America to do what she wanted in her own good time, and a healthy contempt for the status quo, to preserve which, as we had imagined (or rather as others had imagined), was the whole object of the pact. The object, of course, as we have said all along, was to leave the United States free to do what she wanted without risk of interference. To the pressure of wealth there is one answer only, and that answer is force. That the United States know this well enough is shown by their vast expansion of armaments. They anticipate the answer with singular accuracy. They are, however, to be heartily congratulated on their diplomacy, if we take the Machiavellian standpoint. The increase in expenditure on armaments since 1914 by the United States (alone of all the countries in the world) substantially exceeds 100 per cent, but she has succeeded in persuading progressives of all countries that she alone is the real lover of peace. And she does not even belong to the League of Nations! How is it done?

The past ten years have shown that open diplomacy has been a flat failure, and at page 6 of the January number of the English Review there appears the following:

The international politics of the last ten years have been most notable and will be chiefly remembered for the failure of open diplomacy. With President Wilson's ideal of open covenants no one will quarrel, but the attempt to arrive at them openly has been a disastrous failure. Almost every embitterment of national feeling in the last ten years has been due to the public discussion of international arrangements. The decade of conferences has ended in an atmosphere of disillusion, in growing armaments, in a tangle of pacts, treaties and understandings. Happily there are signs that public opinion will soon enforce an ending to this orgy of folly. Statesmen inevitably lag behind, but they will not be allowed to do so indefinitely. The risks of another war are altogether too great. We must have ten years' silence if we are to have for the first time in our generation ten years of peace.

Mr. DEPUTY SPEAKER: Order.

Miss AGNES C. MACPHAIL (Southeast Grey): In speaking to the resolution asking the house to ratify the outlawry of war, I wish first to congratulate the Prime Minister (Mr. Mackenzie King) on his very excellent work while abroad. I think Canada was fortunate in having the head of the government go to Europe to sign at Paris the Briand-Kellogg pact. I believe that Canada was well represented. The Canadian people as a whole felt that they were. I believe, too, that the Prime Minister considered it a very great privilege to attend that gathering, unique and prophetic as it was. No thinking person could be there without being deeply stirred. I take it that it was symbolic of a new day, symbolic of a new and growing thought, that over the building in which the pact was signed there floated on that occasion the flags of all the nations.

I read M. Briand's speech in Current History, and while the translation was not exactly the same as that put on Hansard, in part, by the Prime Minister this afternoon, the meaning was the same. I thought it was a great speech. One often hears brilliant or amusing speeches, but only once in a great while does one hear or read a great speech such as this one by M. Briand. He said in part:

It (the pact) is a direct blow at the institution of war, even at its very vitals.

And again:

Peace is proclaimed. That is well, that is much, but it still remains necessary to organize it. In the solution of difficulties right and not might must prevail. That is the work of tomorrow.

And in conclusion he said:

I propose that we should dedicate to the dead, to all the dead of the Great War, the event which we are going to consecrate together by our signatures.

I remember that day, August 27, and I am sure there were thousands of Canadians whose minds that day were in Paris, although they could not be there in body. Even remembering that defensive war was not defined—and I think it a pity that it was not—and remembering that certain of the great powers signed the pact with mental reservations, still I consider this a great step forward, and I am sure that in this opinion I am only one of a host of Canadians and only one of all the members comprising this house. The fact that fifteen nations that day signed the outlawry of war pact and that this number has now grown to sixty-two of the sixty-four nations of the world is no small thing. The text of the pact is very clear and very simple; it states that these sixty-two nations solemnly declare in the name of their respective peoples that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another. They also agree that the settlement and solution of all disputes or conflicts of whatever nature or of whatever origin which shall arise among them never shall be sought except by pacific means.

To me that seems almost too good to be true. To my mind the great thing is that it

enunciates the principle that war is an outgrown institution. In the October number of Foreign Affairs, Norman Angell said:

> The Kellogg pact was in itself a splendid declaration. Some such statement of principle was perhaps indispensable. But the fact that it is indispensable does not mean that it is enough.

I believe everyone will agree with that. This pact made peace seem a desirable thing in the eyes of the world, and in the face of the fact that sixty-two nations of the world have signed a pact outlawing war, unless we brand ourselves as hypocrites we cannot go on glorifying war as we have done in the past. I would subscribe fully to the pact of Paris if for no other reason than that it has hushed the shrill voice of the jingoist. I would not like to say it has silenced that voice but at least it has hushed it. That is much, and for that I am thankful.

At the moment a great controversy is going on in every country as to how all nations can achieve security, and I think in every nation there are two schools of thought. I would not want to say that one school is better than another, but I would say that they are different. The one school believes that security can be achieved through armaments and so they seek greater armaments hoping in that way to win security. The other school believes that security must be found by new methods such as active good will, seeking the causes of war and striving to remove them, conferences, arbitration, conciliation and so on.

It would seem to me that the pact of Paris simply seeks to extend to the larger community, which is the world, the methods of maintaining peace and order now used in every community.

The one school of thought which believes that security will come through the new methods of active good will, of understanding, of tolerance and justice, is built on faith, while the other school is built on suspicion, and I think we should remember that each of these schools is found in every country. That will help explain some of the things which seem to be a mystery. For instance, there are two Britains at the moment; there is the Britain of Churchill and Birkenhead and the Britain of Cecil, MacDonald and many others. There are two Americas, the America of Kellogg, of Borah, of D. D. Morrison, the editor of The Christian Century, of Jane Addams, Carrie Chapman Catt and other outstanding Americans, and there is the America of Blaine and Reed. There is the Germany of Stresemann and there is the old military Germany; there is the France of Briand and the France of Poincare. In Canada one would not care to name the people who typify each school, but I think the leader of the opposition, or some other speaker, said this afternoon that Canada was a unit in desiring peace. With all my heart I wish that were true, but at least if everyone wishes peace some people have very odd ways of striving to attain it.

Even the League of Nations Society in Canada is not the live body I would like it to be. It has done much good and has been quite forward-looking and progressive, but perhaps I can illustrate my point by stating that a certain woman, whose name I have forgotten, who taught English to Mussolini for twenty minutes a day or something like that, was received with a great flourish by the League of Nations Society in Toronto. When an attempt was made to have Agnes Macphail address the society, however, they thought it was going too far. I fancy we will not live to see the day when someone who taught English to Lenin for twenty minutes a day will be received by the League of Nations Society of Toronto, although both these governments use methods with which we do not agree.

At the end of the war the governments of all nations were more peaceful than the people of the nations; the governments would have gone much further towards peace than their people allowed them to go. Now that position has been reversed and the people of all the countries are willing to go much further than their governments will go. To you, Mr. Speaker, and through you to the Prime Minister and the government, I say that the people of Canada and the people of all countries want not only words but action. The people of the world want a reduction of armaments; they want to recognize the causes of war and intelligently strive to remove them as rapidly as possible. The leader of the opposition this afternoon used these words, "educational obligations rest upon us." I thank him for those words; I hope to use them many times in the future. That is true; we must organize peace. We must often think of these words, because they mean a great deal—"educational obligations rest upon us." To talk peace, to sign peace pacts, valuable as they may be, is not enough. If in the face of that we increase our militia vote; if we go on training our youth to think of war as the most honourable means of settling international disputes; if we continue to have our school books reeking with the glorification of war, as they are at the present, we simply brand ourselves in the eyes of the

world as hypocrites. Of course we can say that other nations are doing the same, but that does not justify us. Since the session began we have heard a good deal that looked like an odd action on the part of the great nation who is our neighbour to the south. I believe it has been said that he who is without sin among you should cast the first stone. That may not be the exact quotation because I am not as glib with biblical references as the leader of the opposition. But I think the meaning is there, and Canada is certainly not in a position to cast the first stone.

I remember that the military estimates in the year 1925 were $11,000,000. The Prime Minister of this country and very many other leading citizens of Canada have been talking peace from that day to this, yet the estimates brought down the other day show that the military needs for this year will require over $20,000,000. That is a very hard thing to explain, at least to me. In view of the very excellent speeches which the Prime Minister made abroad and the very excellent one he made this afternoon, I cannot think of what he will say in defence of the military estimates brought down by the Minister of National Defence. I cannot think of what he is going to say against the resolution which stands on the order paper in my name, but I feel perfectly sure he will find something.

A good deal has been said about the action of the United States of America in proposing the pact of Paris and then bringing down a cruiser bill in the same year for a large sum of money. That action is not any more odd than the increase in the military estimates for our own country; it is different in degree but certainly not in kind. In the United States of America there is a very vast public opinion opposed to the cruiser bill. We in Canada know that governments do not always represent public opinion, and so we should be able to sympathize with our friendly neighbour in the fact that public opinion in that country has not been reflected in the cruiser bill.

May I quote from the Christian Century of January 31, 1922. Mr. Morrison, the editor, has this to say on the cruiser bill:

> They (the American people) are thinking about the necessity for proving to the world that America has signed without her fingers crossed; that people and government are one in their desire to give the treaty that weight of public support which will establish its authority. And they are thinking about the psychological effect of following such a treaty ratification with a big cruiser building program. The longer they think the less they like the proposal. So the protests begin to pile up in Washington. That's why the bill's supporters want an immediate vote.

[Miss Macphail.]

I regret very bitterly the fact that they have passed the cruiser bill, and yet, before we condemn anyone for doing anything we ought to look at the causes that led up to it. I will not take the time to go into this matter fully, but anyone who has been following international affairs knows that the United States of America believed that Great Britain broke the spirit of the Washington naval conference; that while the letter was kept the spirit was broken. She went back and built a large number of cruisers of 10,000 tons displacement, carrying eight-inch guns, and then when she saw there was going to be rivalry in that particular type of boat, and that the United States of America, being a very wealthy country would in all probability outbuild her, she made an effort to recover her position by having that particular type of cruiser outlawed and put in the aggressor class. This action, followed by the Anglo-French pact, which, because of the strength of public opinion in Great Britain, was more or less scrapped, undoubtedly aroused in the minds of the citizens of the United States of America very grave suspicions as to Great Britain's good faith, and that I very much regret. I do not think it is too late for all of us, and particularly we who live in Canada, to do everything that is possible to clear up the misunderstanding which exists at the moment between the two great English-speaking nations in the world, Great Britain and the United States.

I wish Canada would sign the optional clause. We can scarcely advance at all towards disarmament until Great Britain and the United States are willing to refer all their justiciable disputes to the court of international justice, or whatever the particular court is called, and show that they are willing to rely on arbitration as a method of settling international disputes. I think Norman Angell is right when he says that Canada could render a very great service to the British commonwealth of nations if she would take the lead in this particular matter. I think we have been too diffident about taking the lead. I think Canada could do a very great deal for the British commonwealth of nations and for the world at large if she were not so timid; if she would say what she actually thinks. As the Prime Minister said this afternoon, Canada is now ready to sign the optional clause. When we do sign it the next logical step is toward disarmament. We go on talking about peace and saying we are willing to rely on arbitration, but all the time we are increasing our military estimates. My pet cadet vote is standing where it was, at half a million dollars, and we have military

colleges and school books reeking with the glorification of war. During our big celebrations we trot out all the military people, possibly because their coats are bright. This is a most illogical position to take, and the only thing for us to do is to begin to disarm and keep at it until we finish the job. I never wanted to be in the cabinet, but I would like to be the Minister of National Defence for one year, and by that time there would be no need for that department.

Mr. BOURASSA: You would suppress the department in a year.

Miss MACPHAIL: I would finish it.

I do not intend to say much on the question of the reservations, but let me say that I do not like them. I think Lord Cecil put that very well when he said:

> I feel that the attitude taken up by the German government in the matter was the right one.

This quotation appears in the Toronto Star of July 25, 1928. The attitude of the German government was that they were willing to sign the original draft, that they made no reservations. However, I am not going to take the reservations too seriously, because they do not appear in the text of the pact or treaty. They are not put in words except in the notes which passed between governments, and, so far as Canada is concerned, I think we should see to it that they do not affect us; that Canada does not stand for reservations; that she means exactly what the text of the pact says. I believe the people who believe in peace all over the world will gain most by reading into the text of the Kellogg pact the full meaning as written, and then holding the governments to the letter and to the spirit of that text.

The greatest danger I see from the Kellogg pact is that the peoples of the world will feel that when sixty-two nations out of sixty-four have signed a peace pact, they can sit back and rest, that there is really nothing more to be done. It would be fatal to do that, because this is but the beginning. It is true that words mean nothing unless actions follow, but they mean much if actions do follow. It is the duty of each of us as Canadians and the people of other countries who, I believe, are as good as we are, to seek the economic causes of war and then shape our national policies, and indeed our private endeavours, so as to remove them. We should as a nation put international concord above everything else and we should shape our policy to that end. We need to develop a peace technique. In the positive field of education something has been done, it is true, but very much remains to be done, and in the negative field of undoing what has been the custom of the ages, almost no start has been made.

We might very well listen to the Right Hon. Stanley Baldwin, Prime Minister of Great Britain, who, addressing the League of Nations Society of Great Britain this year, said that all those who really desire peace should be missionaries for peace. I take it that he is a missionary for peace and that he is exceedingly desirous of the peace of the world. It is well for us at times to be idealists, not to be scoffers and doubters, not to be cynical, but to believe that all the people of the world, regardless of colour, regardless of the country in which they live, are fine people, and if we treat them as though they were, they will treat us in the same spirit. It is well for us sometimes to go to the hilltops, and when we do as individuals and in great moments as nations, we see a fairer world. That fairer world is no dream; it can be made a reality if each of us takes the matter seriously and works towards that end.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, it was not my privilege to follow the debate this afternoon upon this very interesting question. I have not prepared anything with regard to it, but I think I owe it to my good constituents and to the people who have confidence in me in the province of Quebec, or elsewhere, to express at this juncture my strong and unreserved approval of the position taken by the Prime Minister (Mr. Mackenzie King) at Paris and Geneva in relation to this treaty. I read the speech of the right hon. gentleman; when it was published I reread it; I translated it for my own sake and I commented upon it. The more I thought of it, the more I considered it one of the most complete, and may I say, perfect expressions of what should have been in the past and what ought to be in the future the attitude of Canada in international affairs at large, but especially in those endeavours of all nations to eradicate the roots of the evils of war.

I concur entirely in most of the remarks that have been given to the house by the lady member for Southeast Grey (Miss Macphail). We ought, and all peace loving people ought, to take the Kellogg pact at its face value. We ought to trust the conscience, the common sense and the true sense of interest of the masses of the people in every country to make that treaty good. I also agree with her that we should not discourage the idealist, either by scoffing at him, or by exaggerating, or perhaps simply by emphasizing too much, the obstacles, permanent or

occasional, present or future, which may prevent this pact from bearing all the fruits which the suffering peoples are expecting from it. On the other hand, I think all parliaments and all thinking people would be untrue to their duty if they did not point out some of the obstacles, human or material, which may in fact prevent the fructification of this great peace endeavour.

Let us take first our position in Canada. On this point again I congratulate the Prime Minister for having spoken at Geneva in the name of Canada, and of Canada alone; for having affixed the signature of Canada to this treaty, for Canada's sake, in the interests of Canada, and as a contribution from Canada to the cause of peace. For once, the first time, perhaps, in the most unequivocal fashion, Canada has spoken and acted in her own name, has shown herself worthy of the confidence of her own people, and also of the confidence evinced during the last twenty or twenty-five years by the people of Great Britain, in the virility, determination, dignity and self-confidence of their young brothers of Canada, proving that they are capable, may I say, of butting into those international gatherings, modestly, but proudly, in their own name, and expressing their own views for the benefit not only of their own people, but also of the other British communities and the world at large. The Prime Minister was especially happy upon that occasion in showing that in her modest sphere of action, in the sphere of action where Canada can do something, she may render greater and more important services to Great Britain with whom she is associated, and to the United States, her only neighbour, than perhaps is thought of either in Washington or in London.

I was struck once—I have never forgotten the incident and frequently commented upon it—with the profound truth of an observation made by a distinguished diplomat who represented Great Britain in Washington for many years—I refer to Sir Esme Howard—when he said that he considered the peculiar, the particular service which Canada could render to Great Britain, the British Empire and the world at large, was to act as the normal interpreter of Great Britain to the United States and of the United States to Great Britain. That is quite true, because, on the one hand, the United States is our only neighbour, and a very close one; and on the other, we are associated with Great Britain. From Britain we have derived those political institutions of which we are proud, of which we French-Canadians are as proud as English-Canadians may be, and for excellent reasons: the first being, as recently demonstrated by our distinguished fellow citizen, Mr. Ewart, that we have nationalized those British institutions; we have borrowed from them their spirit, the kernel out of which grew that magnificent tree of liberty, of order, of continuance in action, of tradition and progress, and at the same time we have grafted upon it those legal or constitutional dispositions which are necessary to make it a constitution, not one to which the people of Canada must be adapted, but one adaptable to the people of Canada. Likewise, in international affairs I think the best service we can render to the British Empire—and I say this for the consumption of those who put empire first and Canada after—is not to follow blindly every dictation, every attitude, every instrument of international policy that may be decided upon in London by this cabinet or that other cabinet. On the contrary, we should give not only a sympathetic but a free and independent support to every move of the British government which makes for peace and liberty, and on the other hand, oppose courageously and openly every attitude of the British government, for the time being, whether it be Tory, Liberal or Labour, which makes for greater misunderstanding and equivocations as between Great Britain and other countries, or with the world at large.

Therefore while approving unreservedly the ratification of the treaty, and offering to the Prime Minister for what they are worth my humble congratulations, at the same time I think we must take cognizance, to a greater extent perhaps than the hon. member for Southeast Grey has done, of the reservations which have been—I will not say, put upon that pact—but which have been, so to speak, planted around it by some of the most powerful governments of Europe and America. If these trees of distrust, these threats of practical disallowance of the treaty, are left to grow, the time will come when they will act, not as a bulwark against war, but as a moral barrier between the principle of peace evinced in the treaty, and the practices of war as carried on by the various nations that have adhered to it.

Let me remind the house that practically every treaty, public or secret, that was entered into during the forty years, let us say, which preceded the war, either those that were finally gathered together in the system of the Triple Alliance, or those that paved the way to the less defiant but more mysterious and perhaps a little more hypocritical Triple Entente to which we adhered during the war—all those

treaties, all those conventions, all those understandings, preparing for war, fattening the ground out of which the plant of war grew and nearly killed civilization and humanity, were entered into in the name of peace. Every one of them contains these or similar words: "The high contracting parties, desiring to ensure and maintain peace," enter into such-and-such an agreement. All the treaties entered into between Germany and Austria, and later on between Germany and Italy, were made in the name of peace. The secret agreements between Russia and France first, and then between England and France, and then between England and Russia, were all framed in the name of peace. Poor Sir Edward Grey believed till the third day of August, 1914, that he had been working for peace, while as a matter of fact, quite honestly but just as surely, he had been working for war during the ten years which preceded the war, because he let himself be dragged from one agreement to another, made always under the pretence of peace, but always making for war.

In that respect, as a Canadian, and in spite of all that may be said, as a candid but true friend of Great Britain as well, I am especially proud and happy at the attitude taken by the Prime Minister, at his emphatic declaration, that as far as Canada is concerned there is no reservation secret or public, that Canada is not a party to any understanding written or unwritten, public or secret, defined or undefined, either with Great Britain or any other country on earth, to prepare war behind the curtain while talking of peace before the public.

The hon. member for Southeast Grey made reference to the splendid speech of M. Briand. Undoubtedly M. Briand is to-day, with Mr. Stresemann, with Lord Cecil, and to a lesser but also to a certain degree with Sir Austen Chamberlain, one of the men who have done most to undo the hellish work which brought the world to the crucifixion which lasted from 1914 to 1918. But perhaps the lady member did not realize the tragic irony of a casual reference she made to the France of Briand and the France of Poincaré, apparently forgetting that Briand and Poincaré are in the same government.

Miss MACPHAIL: They might be, but they are not the same people.

Mr. BOURASSA: No, but in France, as in England, as in the United States, as in Canada and everywhere, more especially in those countries which have not known the bitterness of defeat and humiliation, in those countries which can boast of their victory of 1918, there are, as the lady member said, both the forces of peace and the forces of war; but unfortunately the forces of peace and the forces of war are very often united in the political sphere, and I am afraid they are a contributing factor in keeping over the eyes of the people a veil which prevents them from seeing the truth.

It is useless to entertain illusions. The political situation of Europe, and the economic situation perhaps more so, is such that to-day there are more standing causes of war alive than there were six months before the war of 1914. Without committing an indiscretion, without naming anybody, I might here give the opinion expressed before me in private, two years ago, by one of the leading statesmen of Europe, one who has much, and who in the near future perhaps may have more, to do with the direction of policies in Europe and the world over. This statesman told me quite pointedly—I will not say cynically: "Of course there will be war again. At present no government, not even my own, would risk declaring war, or would even accept a declaration of war, because the memories of the last one are still too fresh in the people's minds. There are still too many mothers whose hearts are bleeding from the losses of the last war. But when this generation has passed, if the political, international and economic causes of war that are in existence to-day are allowed to grow, although you and I may not see it, because we are old enough perhaps to be spared, yet our sons will see the day when there will be another war, and the last war with its cruelties and devastations will be nothing compared with the experiences of the next."

Of course, no responsible statesmen dare utter such feelings in public, but when you talk to them in private, it has been my experience during the last seven years, in the various trips I have taken to Europe, that almost every one of the men who are responsible for the welfare, or the contrary, of the various peoples of Europe do not know when the next war will break. They realize that there are tremendous causes of war, moral, ethnical, economic; causes which preceded the last upheaval and which have not been eradicated; new causes created by those abominable, absurd, nonsensical treaties concluded at Versailles, at Neuilly-sur-Seine, at Trianon. Those treaties would be denounced to-day by every government in Europe but for the fact that some of the men responsible for them are still in power and obliged to maintain in the minds of the people the

delusions under which the treaties were concluded and imposed upon Europe.

Let me quote here the opinion of one of the leading spirits of Europe. In Mr. Ramsay MacDonald I see, from a certain point of view, the most eminent statesman of the British Empire to-day—I repeat this not for the first, the second or the third time, and I am going to repeat it yet again in the future. One of his staunchest opponents was telling me a year and a half ago: "We may differ with MacDonald in his home policy, we may disagree with his economics, but we must admit that he is the best foreign minister that England has known in the last half a century. Of course, he added, you must make allowance for party prejudices; but had Ramsay MacDonald been foreign secretary in the two years which preceded the war, had he held that portfolio either in a Tory or a Liberal administration, he might have spared us the agonies of war." I thought that was a remarkable testimony to the statesmanship of MacDonald. Now, when that statesman was in our midst not very long ago, I was struck with one of his observations, right here in Ottawa. All his speeches of course were permeated with his love of peace, but also with dread of a still possible war. He indicated as the main moral cause of future wars the one question of the treatment of minorities in the various countries that have been created artificially or carved out from the map of Europe by those absurd and nefarious treaties.

At the next meeting of the League of Nations, this question of minority rights is to be discussed in its entirety; and I am happy and proud to say that that action will be taken upon the initiative of our own representative, Senator Dandurand. What Mr. MacDonald said practically amounted to this. We made an issue of the maltreatment, real or imaginary, of two or three minorities at the hands of our enemies, the Alsatians and the Poles under German rule, the Slavs and the Italians under Austrian rule; we fought for those minorities and defeated the countries which dominated them. Then we carved out various nations among whom at the present time twenty million people are distributed as minorities. Some of the majority-nations maltreat those minorities much worse than the Prussians ever maltreated the Poles or the Alsatians. And those majority-nations are of our own making. We Canadians affixed our signatures to those treaties which recited that all minorities should be given equal rights in matters of language, equal rights in matters of religion, and equal rights in matters of education. All those minorities are knocking from year to year at the gates of the palace of peace at Geneva, begging for justice and protection. They invoke the principles of the league, and they call upon the letter and the spirit of those sacred treaties that are supposed to have put an end to all the injustices inflicted by our late enemies. Those minorities come to us, the protectors of the weak, to us who during four years waged war to save civilization and make the world safe for democracy. I am afraid I must repeat here what I have said once before to an American audience: If we go on at this rate, a slight correction will have to be made in Mr. Wilson's famous text, and we shall have to say that we fought four years "to make the world safe for hypocrisy."

Well, I hope that Canada shall not be a party to making the world any safer for hypocrisy. I hope and trust that this government, or any other government, will not err in this respect. I would be prepared to trust the leader of the opposition nearly as much as the leader of the government, because I believe that once loaded with the responsibilities of office my hon. friend would have enough sense of his duty to the people of this country, to the people of the empire, and to the people of the world at large, to realize and to put into practice the profound truth of that saying of Sir Esme Howard, a saying that should always remain as the motto of our international relations—first make America safe, as between Canada and her only neighbour. Then make the safety of those cordial relations between the United States and ourselves the means to impress upon the British government—with whom I am proud that we should remain associated for so long as it suits both nations, but no longer—the necessity of carrying all over that spirit of amity.

Under the new condition of affairs, the United States have become practically the economic arbiters of the world. Germans and English, French and Italians, whether they like it or not, go to the Americans and ask them to act as arbiters between them in the partition of the war indemnities. Similarly, I think we have a noble task to perform, without doing anything derogatory to our national honour. Let us make use of our being neighbours, not to make money out of the United States, not to ask them to remit any debt that we owe them, but to give them our help, weak as we may be in point of numbers, but strong as we are if we stand by a moral right, to impose, not in the low provocative sense of the word, but by the strength of reason, by the strength of political and economic

causes, to impose, I repeat, upon the British Empire a policy of peace that will determine the relations of that great empire with the rest of the world. That would be far better I think than to let the British government understand that in all they do we are prepared to uphold them, because at times that would land us in a pretty bad fix.

In conclusion, I am very happy in supporting the adoption of this motion and endorsing the views expressed by the Prime Minister this afternoon, as well as those of my hon. friend from Winnipeg North Centre and the hon. member for Southeast Grey. If I have insisted a little more upon the pessimistic aspect of the question, it is not because I wish to throw cold water upon the enthusiasm of any sincere peace seeker, but because I have always believed that there is no salvation in delusion, no salvation in either pessimism or optimism. The true solution of all problems, national or individual, lies in the sincere search for truth and the courage to stand by the truth.

Mr. WILLIAM IRVINE (Wetaskiwin): I desire to make a very brief comment on the important matter before parliament and on some of its implications. It does not require an undue gift of imagination to conceive the possibility that subsequent generations will regard the treaty now before this parliament as an epoch making event, and to the extent that such a possibility materializes in the future this is a great occasion. I think the Prime Minister (Mr. Mackenzie King) has been signally honoured by good fortune in having been associated with what may well prove to have been the most significant human episode in many centuries. We, too, are honoured in being privileged to endorse, in the name of the people of Canada, the sentiments of peace embodied in the treaty now under discussion.

This, I think, is a time when one may be pardoned for even going so far as to pay a compliment to the Prime Minister and one to the leader of the opposition (Mr. Bennett) at the same time. We all regard the presentation of the case for peace by the Prime Minister this afternoon as one entirely creditable to the leader of a great people, and I am sure that, in view of the high expressions which he gave and the very high ground he took in the interpretation not only of the treaty but of its implications, there is reason for us all to feel quite proud indeed. I think, also, that we are highly indebted to the leader of the opposition, who, while agreeing with the sentiments expressed, laid his finger upon some of the immediate and practical things which must be done if any real fruits are to result.

The Prime Minister indicated that this treaty is not merely something that has come about as the result of a pious wish on the part of the nations concerned. As he indicated, war itself has become such an impossible thing that the intelligence of mankind is being compelled by circumstances to find a better way of dealing with international disputes. As we have seen in the past, war does not settle anything but tends rather to unsettle everything. We have seen, also, that war methods have become so destructive that, in the words of the Prime Minister, war will destroy civilization if civilization does not destroy war. So that the necessity of the times in which we live is back of this treaty; though it may be regarded by some as a mere pious gesture, there is necessity behind it. As the Prime Minister pointed out, it implies that we renounce war as an instrument of national policy, and by so doing we focus the attention of the world upon war as an obsolete method. He also further cautioned us that there is no royal road to peace but that there are many paths which lead thereto. Furthermore, he implied that there is no immediate hope of arriving at peace and that we must regard this treaty as merely the beginning of what we hope to accomplish. He intimated that the binding force of the treaty was to be found in the bonds of the dead. While that is true, yet at the risk of appearing to be pessimistic I am bound to point out that the bonds of death have been snapped a thousand times in the history of mankind. We must not rely on the bonds of the dead to maintain the spirit of reality in a great international bond of this character; we must somehow find the bonds among the living—bonds in which we may be able to place a great deal more confidence than we have ever been able to repose in the bonds of the dead. The great feelings which are common to humanity, which well up as a reaction from the Great war which shook the world a few years ago and which brought about the signing of the treaty before the house, are only feelings after all. These feelings will rise just as speedily twenty years from now to bring about once more the condition which to-day we so much deprecate.

May I be permitted to refer to the utterances of men who have not only given a great deal of study to this question but some of whom are playing parts on the chessboard of international politics while we are speaking here. The first one to whom I would refer

is Premier Mussolini. This is from a report of the Roman celebration of the Italian victory over Austria at the battle of Vittorio Veneto:

Mussolini: "If it is necessary, will you do to-morrow what you have done, what we did together, yesterday?"

Seventy thousand Italian World War Veterans: "Yes!"

That is just a little glimpse. Let us turn now to what the Right Hon. Philip Snowden, former Chancellor of the British Exchequer, had to say on peace sentiments in general and this treaty in particular. This is what he says:

There is still talk about renouncing war, and pious platitudes about universal peace are on everyone's lips. But there has been no real progress toward the abolition of war. Locarno agreements and Kellogg pacts are mere eyewash to bamboozle the people while statesmen carry on their secret negotiations to prepare for the next great war.

I think we can understand something of the pessimism which is here expressed when we realize the conditions prevailing at the moment, as referred to a few moments ago by the hon. member for Labelle (Mr. Bourassa). When we think, for one thing, of the new map of Europe which was drawn up after the last war, and when we think of the treaty which has been referred to, we can understand the sentiments of the Right Hon. Philip Snowden which I have just quoted. Let me refer next to the Right Hon. David Lloyd George. He says:

As our relations are getting better, our armaments are growing bigger. The nations are sharpening their arms on the stones of the Temple of Peace. The armaments of France to-day are four times as powerful as those of the great German army of 1914.

Let me also quote what General Sir Ian Hamilton has to say:

Though cannon may be muzzled and poison gas manufacture in suspense, our gigantic war propaganda plant has never been properly scrapped, and, under cover of night, the factories still go on stealthily pumping out a few "extra special" samples of the good old fumes. There's hardly a morning passes when some of it does not drift on to the breakfast table, folded up, usually, in twenty-four sheets of paper.

I think it would be fitting to mention here a statement by Right Hon. Arthur Henderson, former British Home Secretary, who said:

The armies of the world are ready to fight. The navies only await the order to lift anchor and go into action. Aerial armies are ready to destroy our cities in one night. Within a few weeks the world's war machines could again imperil civilization.

[Mr. Irvine.]

Four years of war are now only unthinkable because they would be unnecessary. The apparatus of war, evolved since the end of war to end war, would probably destroy civilization in a few months.

Finally let me quote what Lord Riddell, British journalist and publicist, has to say:

There is grave danger that the world will allow itself to be chloroformed by general declarations in favour of peaceful intentions. If a man says he is against shooting and, at the same time, purchases two new revolvers, what would you think of him? He might say he did not intend to use them, but I think you would have your doubts.

I give these quotations, Mr. Speaker, not to indicate that I have no faith in the moral qualities and in the intelligence of mankind generally to find ultimately a better way of settling international disputes than by war, but merely that I might give emphasis to what I regard as the implications of the Prime Minister when he stressed the fact that in itself this treaty is only a beginning.

I wish to close my few remarks by indicating through analogy what I regard as the real significance of this treaty, which I have no doubt will be unanimously endorsed by the representatives of the Canadian people. It might be said to be a new-born child, born of the noblest sentiments of the races, its potentialities great but with many dangers besetting its life. It may be nursed, educated and developed to make a great contribution to mankind, or it may be strangled or starved or maimed and never allowed to give full expression to its potentialities. If the nations of the world sit back now and say, "No more war; behold the treaty we have signed," then our treaty means less than nothing; it will not be worth the paper upon which it is printed. If, on the other hand, the nations of the world who have subscribed to the principle of that treaty can rise to the occasion and accept the responsibilities which it implies, then Sir, I say that we have here one of the greatest documents of many centuries of history.

What are some of the responsibilities which it implies? It does not merely imply a negative response by getting rid of armies, navies and arsenals; in my opinion those are the last things which will go. You might as well ask a sailor to jump from his sinking ship and be drowned immediately as ask that the nations who have hitherto found in armaments their only supposed means of defence throw them overboard before we have actually set up and established that which is to take their place. So I think it is not merely a negative action now morally imposed upon every nation subscribing to this treaty; I

think some positive action must be looked for, and I would suggest that the first positive action should be re-drawing the map of Europe. In the treaty of Versailles, the treaty of peace, we have the seeds of many wars, and we must not think that by any artificial means we shall avoid the aftermath of that treaty. Any action we take must be natural; it must appeal to human nature, and I do not think human nature is always bad. I know that those who advocate war think that as long as human nature is what it is we shall have war, but I recognize the fact that in human nature we have the source of all the good that humanity has ever accomplished just as we have all the bad, and I believe that humanity will respond to the good just as readily as, and perhaps even more readily than, it will respond to the bad.

The treaty will prove a mere delusion without positive action, which will have to be in line with the natural law and with the best in human nature. Our first action should be to endeavour to apply human methods in repairing the evil brought about by the last peace. We should begin to set in motion an international co-operative effort which will call upon every nation subscribing to this treaty to yield perhaps a little of that sovereignty of which it is so proud and a little of that pride which sometimes keeps nations apart, and to take part in some actual international co-operative organization which will deal first of all with questions of territory, questions of economics and international trade generally, questions of politics and racial problems. There is no use leaving these questions and just hoping they will be settled sometime; if we are to abandon the navies and armies we must begin immediately to set up that which is to take their place.

That, Mr. Speaker, is all I desire to say. I am sure that whether or not these great possibilities which we visualize become actualities, no one will blame us in ages to come, in view of the circumstances existing to-day, for having made even this feeble attempt. Should wars succeed wars in the near future I shall still be glad that we had this treaty before this parliament and that I was privileged to say what I have said in its favour. I do believe that no really intelligent, constructive action can be taken by mankind until such an idea has been conceived. The idea of a human world has been conceived. This treaty is a new-born child of peace. Let us hope that the best of human nature will nurture it and that the best leaders of the nations concerned will help humanity forward if only in the first step toward a new human relationship which will regard humanity as paramount in all dealings national or international, rather than that lust for power, economic aggrandizement or other things material which have characterized and even dictated the diplomacy of nations in the past.

On motion of Mr. Cahan the debate was adjourned.

MONTREAL HARBOUR COMMISSION

LOAN OF $10,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following proposed resolution:

> Resolved, that it is expedient to authorize a loan to the harbour commissioners of Montreal in an amount not exceeding $10,000,000 to carry on the construction of terminal facilities, upon approval by the governor in council of detailed plans, specifications and estimates for such works and the deposit of debentures of the corporation to cover said loan.

Mr. BENNETT: Before the resolution is put I think the minister might make some explanation to the house. The resolution involves $10,000,000 of the credit of Canada, and it should not be passed without explanation.

Mr. CARDIN: The resolution is for consideration by the house in committee of the whole. If my hon. friend does not object I will make the explanation when we are in committee.

Mr. BENNETT: The proper time is to give it before we go into committee, but I am not concerned as long as we get it some time.

Mr. CARDIN: The resolution contemplates the advance of $10,000,000 to the harbour commissioners of Montreal. The object of this advance is to permit the harbour commissioners to proceed with the developments required by the increasing business in this important port. The port of Montreal—and the same may be said of Vancouver—has shown some very interesting results. The receipts of the port of Montreal for 1924 were $4,000,000, and they have increased to over $5,500,000 for the year 1928. The exportation of grain through the harbour of Montreal has also very materially increased. Anyone who has any knowledge of the conditions prevailing in the port of Montreal at the present time knows that they need increased facilities for the shipping business passing through that port.

We must keep in mind the fact that the money we advance through these bills is not a gift to an organization of any kind. This is money which will be lent to an organization created by the laws of the country, and in the case of Montreal the country is getting back the interest on all the money which has been advanced. Besides paying the interest on the money advanced, the port of Montreal has provided for a sinking fund for the repayment of the principal. This year, after taking care of the interest and providing for the sinking fund, the harbour commissioners are left with a very substantial balance in the form of a real surplus. These harbours are to-day in a very satisfactory condition. Anyone who believes in the general development of the country must realize that this development is due in large degree, to the facilities provided in the different harbours throughout the country. Money spent in the harbours will prove very profitable to Canada at large. We have passed the time where we have to wait for business before providing facilities, and have reached the point where we should provide the facilities in order to take care of business which may come later. I do not think anyone seeing the need of these transportation facilities would hesitate to advance the money. There is a certainty that the government will get the interest on the money so advanced.

If we did not follow this procedure of advancing money to these harbours we would have to make the same expenditures through the Department of Public Works. There are certain harbours less important than the ports of Montreal and Vancouver towards which the government has been contributing large amounts of money with a view to developing the facilities for the shipping interests at large. The procedure we have been following with regard to Montreal and Vancouver and the other harbours is as sound as any procedure followed in any other country of the world. I am not in a position to-night to give a comparative statement of the great harbours of the world, but I have caused the officers of my department to prepare a statement showing how the great harbours in foreign countries are administered and maintained. I am sure this statement will show that while our procedure is not perfect—nothing is perfect in this world—it compares favourably with the system followed in all foreign countries.

The proposal of the harbour commissioners is to provide for the enlargement of the Laurier pier. They are also providing for the reconstruction of the King Edward pier and the Alexandra pier, the extension of the electrified railway system across the Lachine canal, the extension of the grain conveyor system, industrial wharves, additional berthing facilities and the acquisition of land. This last item is brought about as a result of an adjudication by the privy council. Parliament first authorized the harbour commissioners of Montreal to extend their facilities and to build wharves on certain properties under the control of either the provincial government or individuals. This question was brought before the different tribunals and the privy council decided that the harbour commissioners, under an amendment of their act, had no right to take over properties which were under provincial jurisdiction without making compensation therefor. In the $10,000,000 asked for the commissioners have provided the necessary amount to pay for the lands upon which they have already built wharves.

Mr. BENNETT: To whom would the compensation be payable?

Mr. CARDIN: To the proprietors of the land. One case was brought before the privy council, but there are two or three other properties in the same position and the commissioners will have to compensate the proprietors.

I think at this stage the resolution should go through, without any commitment, as has been stated on previous occasions, on the part of any other hon. gentleman who can make his comment when the bill is brought down and we go into committee of the whole thereon. I do not see that I should add anything at present in support of the resolution.

Mr. STEWART (Leeds): Might I ask the minister whether I understood him to say that the proprietor of part of this land was the province of Quebec?

Mr. CARDIN: No. Individuals were proprietors. The court held that it was a matter of civil rights.

Hon. R. B. BENNETT (Leader of the opposition): The reason I was rather anxious that the minister should make some explanation with respect to this particular item was that he might unfold to us any scheme he had in mind, in the light of his observations last session, looking towards a more comprehensive dealing with the whole problem in connection with port expansion in Canada. The minister will recall the discussions that took place last year. It appears to me that before we vote further sums of money we should have upon the table of the house the report of the harbour commission for the last year. We are called upon to vote large

sums not only for this harbour but for some others, and it is important that we should have a comprehensive realization, in the light of what the results may have been, of what is involved in the way of expenditure with regard to the whole. In Montreal we know that they have very large revenues derived to no inconsiderable extent from the elevating and shipping of grain that comes from western America. If I carry in my head correctly the returns for last year, they would indicate a very large volume of traffic originating in a country other than our own. It is important, in the light of possible developments that have been foreshadowed, and if the Hudson Bay railway is to carry the traffic that it is expected it will, to know to what extent this may result in a curtailment of the handling of grain traffic through the port of Montreal. I suppose the minister will recall the recent meeting that took place in Winnipeg and the discussions of an extension of the railway directly from Winnipeg to the bay in order that the traffic that they believe is contiguous to it in the United States may find easy access to Fort Churchill for shipment to Europe. That would have an important bearing upon the development of the port with respect to grain business, and I observe from the explanation given by the minister that some considerable portion of the proposed expenditure will be for the purpose of extending facilities to handle that particular kind of traffic. I assume, however, that the report for the year ended December 31, 1928, will be available before the house finally determines what action will be taken in connection with this and other cases of a similar character. The harbours of Montreal and Vancouver are at the moment paying their own way very handsomely, taking care of interest and sinking fund, but some of the ports into which money is being paid can hardly be said to be in that category. It was for that reason I had hoped the minister would make a statement of policy in a large way, such as was indicated last session. Knowing that Mr. Palmer was making a report on the terminal railway facilities and, to some extent, the handling of traffic on the river front, I suggested he make his explanation before we went into committee. With the understanding that we are not committed without having some explanation as to details, I have no objection to the hon. gentleman's resolution proceeding to committee.

Motion agreed to and the house went into committee, Mr. McPhee in the chair.

Mr. BENNETT: I suppose the minister would like to get this resolution reported out of committee, and there is no reason why that should not be done provided it is understood that an opportunity will be afforded to discuss the matter in detail when the bill is in committee.

Mr. CARDIN: Yes, that is understood.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 37, to provide for a further loan to the harbour commissioners of Montreal.

Motion agreed to and bill read the first time.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 20, 1929

The house met at three o'clock.

INDUSTRIAL AND INTERNATIONAL RELATIONS

Mr. CAMERON R. McINTOSH (North Battleford) presented the first report of the select standing committee on industrial and international relations as follows:

Your committee recommends that 750 copies in English and 250 copies in French of the evidence to be taken, and of papers and records to be incorporated in such evidence, be printed and that standing order 64 be suspended in relation thereto.

Mr. McINTOSH moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PETER TOMKINS

Mr. KENNEDY:

1. During what years was Peter Tomkins, of Grouard, an employee of the government of Canada?
2. What positions did he hold during these years?
3. What salary was he paid during each year of such employment?

Mr. RINFRET:

Department of Indian Affairs:

Fiscal Year—Wages Paid

1878-79: asst.-farmer, Duck lake agency, 3 months at $20, $60; 1880-81: farm labourer, farm No. 8, Duck lake agency, $323.20; 1881-82: farm labourer, Duck lake agency $326.92; 1885-86: interpreter, $90; 1887-88: interpreter, Poundmaker's res., 11 months to April 30, $330; 1888-89, labourer, Poundmaker's and Little Pines res., 5 months, $150;

1889-90: labourer, Battleford agency, 12 months to June 30, $360; 1890-91: labourer, Battleford agency, 12 months to June 30, $360; 1891-92: labourer, Battleford agency, 12 months to June 30, $360; 1892-93: labourer, Battleford agency, 12 months to June 30, $360; 1893-94: labourer, Battleford agency, 12 months to June 30, $360; 1894-95: farmer, Battleford agency, 12 months to June 30, $360; 1895-96: farmer, Saddle lake agency, Whitefish lake res., 12 months to June 30, $420; 1896-97: farmer, Whitefish lake res., 12 months to June 30, $420; 1897-98: farmer, Whitefish lake res., 12 months to June 30, $420; 1898-99: farmer, Whitefish lake res., 12 months to June 30, $420; 1899-1900: farmer, Whitefish lake res., 12 months to June 30, $480; 1900-01: farmer, Whitefish lake res., 11 months to May 31, $440; 1901-02: farmer, Whitefish lake res., 13 months to June 30, $520; 1902-03: farmer, Whitefish lake res., 12 months to June 30, 3 m. at $40, 9 m. at $45, $525; 1903-04: farmer, Whitefish lake res., 12 months to June 30, $540; 1904-05: farmer, Whitefish lake res., 12 months to June 30, $600; 1905-06: farmer, Whitefish lake res., 11 months to May 31, $595.76; 1906-07: farmer, Whitefish lake res., 10 months to March 31, $609.24; 1907-08: farmer, Whitefish lake res., 3 months, 8 days to July 8, incl $246.78. Resigned July 8, 1907.

Department of the Interior:

1. July 9, 1907, to March 31, 1908, sub-agent of Dominion lands, Lesser Slave lake, Alta., $1,092.74; 1908-1909, sub-agent Dominion lands, Lesser Slave lake, $1,500; 1909-1910, agent Dominion lands, Grouard, Alta., $1,500; 1910-1911, agent Dominion lands, Peace River, Alta., $1,500; April 1, 1911, to February 29, 1912, agent Dominion lands, Peace River, Alta., at $1,700, $1,558.28; August 4, 1924, to March 31, 1926, temporary game warden, Wood Buffalo park, Fort Smith, $70 per month, plus rations; April 1 to September 20, 1926, Wood Buffalo park, Fort Smith, $75 per month, plus rations.

2. Answered by No. 1.

3. Answered by No. 1.

Royal Canadian Mounted Police Department:

1. 1912-13.

2. Special constable, Royal North West Mounted Police.

3. $35 per month and rations from 1st of October, 1912, to 30th of April, 1913, and $40 per month and rations from the 1st of May, 1913, to the time of his discharge on the 4th of July, 1913.

[Mr. Rinfret.]

Public Works Department:

1. Employed on the government telegraph service from December 18, 1922, to April 7, 1923.

2. Relieving lineman at Grouard, Alberta.

3. $135 a month.

IMMIGRATION—BRITISH HARVESTERS

Mr. WOODSWORTH:

By whose authority and under what legislation did the Royal Canadian Mounted Police at Winnipeg on September 5, 1928, (a) prevent British harvesters from leaving the waiting room of the Canadian National Railway; (b) seek to prevent a member of the British House of Commons from entering said waiting room?

Mr. RINFRET:

(a) At the request of the superintendent of Canadian National railway police, and section 17 of the Royal Canadian Mounted Police Act, chapter 160, revised statutes of Canada, 1927.

(b) The police were simply obeying the instructions of the railway and immigration officials to prevent the British harvesters from leaving the room, so that railway and steamship tickets might be issued without delay, and to allow no unauthorized person to enter the room. Anyone without written authority would have had difficulty in entering the room in this case.

CANADIAN NATIONAL RAILWAYS—STEAMSHIP SERVICE

Mr. BLACK (Yukon):

1. Is it a fact that due to loss of large paper carrying contract involving reduction of revenue of upwards $300,000 per annum, the British Columbia-California service of the Canadian National Steamships is now operated at a considerable loss?

2. Is it a fact that this trade is heavily overtonnaged, adequate service being provided by other Canadian vessels as well as American vessels?

3. In view of the above conditions, is it the intention of the government to withdraw the above service and put such government vessels on other routes calculated to build up new trade out of British Columbia ports?

Mr. DUNNING:

1. The management of the Canadian National Steamships state that owing to the reorganization of the Crown Willamette Paper Company, who were owners of the Pacific Mills, and their new connection with the Pacific Steamship Company, the contract for the carriage of paper from British Columbia to California has been transferred to that line. As this paper formerly provided the Canadian National Steamships with the bulk of their southbound cargo the service has since been

temporarily carried on at a loss, but the situation is being canvassed with a view to finding other profitable employment for the Canadian National Steamships which hitherto operated in the aforementioned service.

2. Existing tonnage conditions may only be temporary, and it may be possible to secure other business for the Canadian National Steamships in lieu of the paper contract which has been lost; if not, then it is the intention to sell the steamers.

3. Answered by Nos. 1 and 2.

FLIN FLON TOWNSITE

Mr. CAMPBELL:

1. What arrangements have been made for the handling of the townsite at Flin Flon?

2. Is it the intention of the department to turn this over to the Canadian National Railways?

Mr. STEWART (Edmonton):

1 and 2. The mineral rights in the lands comprising the townsite at Flin Flon have been disposed of under leases issued under the quartz mining regulations, and the lessees have the right to utilize such portion of the surface as they may require for the purposes of their mining operations. The matter of the disposal of the remainder of the townsite is still under consideration.

MR. J. T. JOHNSTON, WATER POWER BRANCH

Mr. HEAPS:

1. Who requested Mr. J. T. Johnston, head of the Water Powers branch of the Dominion government to go to Winnipeg in connection with the disposition of the Seven Sisters falls site?

2. What instructions were given to him in the matter?

3. On whose authority did he collaborate with Dr. Hogg?

4. What authority did Mr. Johnston have to submit a series of questions to Dr. Hogg as to whether the Seven Sisters falls should be developed under public or private ownership?

Mr. STEWART (Edmonton):

1 to 4 inclusive. At the request of Premier Bracken, Mr. J. T. Johnson, Director of Water Power and Reclamation, Department of Interior, visited Winnipeg to place at the disposal of the provincial government all physical and technical data required for the consideration of the Seven Sisters falls matter under review. Mr. Johnston did not collaborate with Dr. Hogg other than to supply data as above mentioned, nor did he submit any questions to Dr. Hogg as to whether the Seven Sisters falls should be developed under public or private ownership.

NATIONAL GALLERY AND SUPREME COURT

Mr. BLACK (Yukon):

1. Is it the intention of the government to provide extra accommodation for the National Gallery of Canada?

2. Is the government aware of the urgent necessity for providing fireproof building for the library of the Supreme Court of Canada?

3. Is it true that no special building has ever been provided for said library, but that it has, since its inception in 1876, been housed in a former workshop?

4. Does not the government regard this collection of valuable books, some of them irreplaceable, as of as much importance as the works of art in the National Gallery?

5. Will an amount be placed in the estimates to provide a new library building for the Supreme Court?

Mr. ELLIOTT:

1 to 5. The necessities of the National Gallery and the Supreme Court of Canada have been receiving consideration, and some provision has been made for more adequate accommodation for the former. Such further provision as may be deemed necessary will be announced in due course.

UNOPPOSED MOTIONS FOR PAPERS

BOOK PAPER IMPORTS

Mr. SMITH (Stormont):

For a return showing the quantity of book paper imported into Canada since tariff item 1060 became effective, and the proportion of such paper upon which the drawback of 80 per cent of the duty has been claimed.

BOARD OF GRAIN COMMISSIONERS—HYBRID GRAIN TICKET

Mr. GARLAND (Bow River):

For a copy of all correspondence, letters, telegrams, and other documents, passing between the Board of Grain Commissioners and farmers in the province of Alberta, in relation to the use of the so called hybrid grain ticket.

Mr. GARLAND (Bow River):

For a copy of all correspondence, letters, telegrams, and other documents, passing between the Board of Grain Commissioners and the Department of Trade and Commerce, in relation to the so called hybrid grain ticket.

RURAL MAIL—BOISDALE-SHENACADIA

Mr. JOHNSTONE (Cape Breton North and Victoria):

For a copy of all letters, telegrams, correspondence, and other documents, in possession of the government, in connection with the rural mail route No. 1, between Boisdale and Shenacadia.

ALBERTA WHEAT POOL

Mr. BRADY:

For a copy of the agreement between the Alberta wheat pool and the government of Canada, for the lease of the government elevator at Prince Rupert, as well as any correspondence relating to or leading up to said agreement.

CANADIAN NATIONAL RAILWAYS

HALIFAX-WINDSOR JUNCTION RAILWAY

Mr. ERNST moved:

For a copy of the agreement between the Canadian National Railways and the Canadian Pacific Railway, respecting the operation of the railway line between Halifax and Windsor Junction in the province of Nova Scotia.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Since this motion appeared on the order paper the other day, I have made inquiries and I find that the Department of Railways can discover no record of any existing agreement. What I understand is that the matter is now the subject of negotiation between the Canadian National Railways and the Dominion-Atlantic Railway, which, I believe, is a subsidiary of the Canadian Pacific Railway. Perhaps my hon. friend, under these circumstances, will withdraw his motion.

Mr. ERNST: I do not wish to press the motion if no information is available, but the railway in question is a part of the old Intercolonial railway and is directly under the control of the department. The Canadian Pacific Railway are operating trains over that section of line and they could not operate them without an agreement. And that is what I want. The minister said a few days ago that the matter was one of which the department had no record, if it formed a part of the Canadian National system. As I say, however, it is a part of the old Intercolonial system, which is still under the control of the department.

Mr. SPEAKER: Shall I say "dropped" or "stand"?

Mr. ERNST: I wish the minister would let it stand.

Mr. DUNNING: I am content to let the motion pass; the only answer I can make is the one I have given.

Mr. SPEAKER: Carried.

Motion agreed to.

[Mr. Johnstone.]

NATIONAL HIGHWAYS

PROPOSED FEDERAL GRANT IN AID OF CONSTRUCTION

The house resumed from Monday, February 18, consideration of the motion of Mr. Kellner:

Whereas the need for establishment of national highways is greater than in 1919;

And whereas in that year the Dominion government recognized its responsibility in the matter by a substantial grant, which grant is now exhausted;

Therefore be it resolved that in the opinion of this house the government should consider the advisibility that a further federal grant be made to cover the next five years' development of highway construction.

Mr. JAMES ARTHURS (Parry Sound): When the house adjourned at eleven o'clock on Monday evening, I was pointing out the great benefit that had accrued to the people of Canada through the vote of $20,000,000, passed by the government in 1919, to assist in the construction of highways. There is no doubt that to this vote was attributable the good roads movement which has progressed from that time to the present and has spread throughout the whole Dominion of Canada. During the intervening years the provinces of Ontario and Quebec, with which I am most familiar, have spent hundreds of millions of dollars in the establishment of permanent highways, but in spite of this fact the demand increases and will continue to increase, because our highways have taken the place of our railways for both passenger and freight traffic, at least up to a distance of one hundred miles. At the present time it is absolutely impossible for either the provinces or the municipalities, who assume a part of the burden in Ontario, to keep pace with this growing demand for improved roads. Altogether apart from that, however, there is an increasing demand for a permanent national Canadian highway from coast to coast. There is no doubt that this will come in the near future, and there is little doubt that it is necessary at the present time.

It seems to me absurd that after the expenditure of so much money a Canadian travelling from the city of Ottawa to Manitoba must pass through the United States. It is quite true that in the central provinces of Ontario and Quebec we have large, sparsely settled sections where it is difficult and expensive to build and maintain a highway, and under the present system the provincial government must provide every dollar of the amount necessary because in these districts there are no municipal organizations. If a railway company wishes to gain the benefits of the Railway Act it only has to prove

that its proposed line is for the general benefit of Canada. A railway company cannot secure a charter for an interprovincial or international line except from this parliament, and in the past we have spent millions of dollars in bonusing these railways, especially in their earlier days. So I contend it is just as rational and as reasonable that this government should give considerable assistance to the establishment of the national highway which has been proposed. In the country to our south there are at least three classes of highways: first, the national highways, to the construction and upkeep of which the federal government makes a very substantial grant; second, the state highways, which correspond to our present highways in Canada and, third, the county roads. There is a good precedent, therefore for a grant of this kind on the part of the federal government.

Earlier in the debate something was said with regard to the tourist traffic. It seems to me, Mr. Speaker, that the tourist traffic is a direct offshoot of the good roads movement. There can be no doubt that every dollar expended on the construction of good roads brings a benefit directly or indirectly from the tourist traffic. The annual value of this traffic to Canada has been estimated at from $200,000,000 to $300,000,000, and I think that is a very moderate estimate. In fact if, as the Minister of Finance stated the other night, these tourists consume 15,000,000 pounds of butter annually, the value of that traffic must be considerably greater than $300,000,000. The chief benefit from this tourist traffic is derived by this government and not by the provinces. It may be true that the cost of maintaining the roads is partly borne by the tourists, but it is idle to say that even a large part of the gasoline tax in Ontario is paid by the tourist traffic, and I think upon reflection the Minister of Finance will withdraw that remark.

Mr. ROBB: I was speaking of all Canada.

Mr. ARTHURS: Even so, I think my statement applies to all the provinces. Personally I very much regret that the minister has taken the stand that he will vote against a grant of this kind, and I think the reasons he advanced in support of his position can be easily answered. In giving his reasons for refusing to renew this grant, he said:

> In 1919 we had not quite realized the enormous debt of the country; we had not realized that every year the amount of money required for pensions would be increased; we had not realized that in 1928 we would have to write off some $16,000,000 which the returned soldiers claimed they had overpaid in the purchase of land and equipment for their farms.

I would like to point out to the minister that in 1919 we had various other obligations which did not prevent the government of the day from making this grant. In 1919 we were still paying out large sums as a direct result of the war, not only in pensions but in other ways as well. For instance, in that year we paid out to the Department of Soldiers' Civil Re-establishment the sum of $45,869,064, largely for the hospitalization and care of our then returning soldiers; we paid out $26,004,461 for pensions; $2,886,156 to the Soldier Settlement Board; $346,612,959 for demobilization; $17,945,119 for cost of loans incident to the war, and $107,527,088 for interest on the public debt, which, after all, has not increased so greatly. Contrast this with the statement made by the Minister of Finance that he is unable to make a grant, no matter how willing he might be, because, forsooth, the wounded pensioners of the war were receiving $2,000,000 more this year than they received last year and because he had to write off $16,000,000 in bad debts. Bad debts have been written off before on many occasions; it was done in connection with seed grain in the west. In spite of these large sums paid out by the government in 1919, however, they were able to make this grant of $20,000,000 for good roads; they were able to make a grant of $10,000,000 for technical schools; they were able to make a loan of $25,000,000 for housing schemes and a grant of $1,000,000 a year for the special assistance of agriculture.

Mr. MACKENZIE KING: May I ask my hon. friend a question? He says the government were able to make all these grants, but did they not do so at the expense of the public accounts? Did that not increase the national debt and make for deficits?

Mr. ARTHURS: According to the usual statements of the Prime Minister when he returns to parliament we always have a surplus rather than a deficit, and we have had surpluses since 1921.

Mr. CASGRAIN: Since we have been in power.

Mr. ARTHURS: And before that.

Some hon. MEMBERS: No, no.

Mr. ARTHURS: Look at the public accounts. I do not know that it is necessary for me to go further into this matter, Mr. Speaker; I have just one more word. When the Minister of Finance was speaking Monday evening he seemed rather annoyed because certain members on this side of the house, including myself, were pressing for a grant

of this kind, and he called us to task by asking if we were sent here to protect the Dominion treasury or whether we were here in the interest of the provinces. He said to me personally:

Is my hon. friend here in defence of the provinces or is he speaking for the federal treasury?

I am here for both reasons. I do not think a grant of this kind would injure the federal treasury in any way; they would get a full return for the money expended. I am here to do what I can for the provinces in this matter, and in the matter of provincial rights, but I am here also to represent the constituency of Parry Sound. I believe I am voicing the sentiments of, not fifty per cent but ninety-nine per cent of the people of that constituency in supporting this measure, and I am confident that that is the feeling all through the country at the present time.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I feel that this matter is one of such importance to the national development of Canada that I must say a word or two upon it. However, I promise Your Honour that I will not unduly delay the house.

The Minister of Finance (Mr. Robb), in answering the mover of the resolution (Mr. Kellner) suggested that the original purpose of the grant made in 1919 was to give employment to the returned soldiers who were in danger of being unemployed at the time of demobilization. He said that that situation had passed and no longer required to be met. My answer to him is that though the purpose for which the grant was then made may have passed, other purposes have arisen to take its place which would justify this government in renewing that grant. The Minister of Finance pointed out that conditions were very different in 1919 from those in 1929. I would suggest that you can reverse that and say that conditions in 1929 are very different from those which prevailed in 1919. We have an enormous increase to-day in the automobile business, not only in Canada but all over North America. We have coming into this country every year thousands and thousands of tourists, and the very credit of Canada requires that we should have the best type of roads for those who come from other countries. The very necessity of advertising not only our alleged prosperity, in which there may be some measure of truth, but the beauties and the character of our country generally, justifies the Minister of Finance in renewing this grant.

The minister indicated that the provinces should undertake this development work because they had access to certain moneys received as a result of taxing automobiles and gasoline. But in saying that he put into the mouths of those who are supporters of the resolution an argument for their side. The Minister of Finance said that in 1919 automobile registrations brought the provinces of Canada $4,667,000, and in 1927 that sum had increased to $15,573,000. I am going to make a rough estimate based on that rate of development, and say that the revenue from automobile registrations will amount to $18,000,000 or $20,000,000 for this year. Just as automobile registrations have increased because of better roads, so have industry and manufacturing. The possibility of receiving increased revenues from automobile importations into Canada has increased, and so the minister in the long run is not going to be out of pocket on this proposition.

Let us consider the necessity for this federal aid grant. I am going to stress in particular the need for a through all-Canadian highway. I think that is even more important than the grant for provincial roads. Nothing would be more calculated to bring the east and west into the closest possible community than the construction of a highway which would eliminate that tremendous gap from Cochrane and Port Arthur to Winnipeg. It is to me a repugnant thing to realize that if I buy a car in Ottawa and take my family home to Alberta in it I am forced, because of the situation in Canada, to go through the United States. That great northern part of the province of Ontario, and the eastern part of Manitoba, would be a paradise for both tourists and sportsmen. The imagination of the hard-headed Minister of Finance has certainly not been unjustly appealed to in this case by his being asked to picture these great territories which are now beginning to be opened up as a result of mining development. Anyone travelling through that part of the country cannot help but see the possibilities of establishing a sportsmen's paradise there. The wealthy men will come in from the country to the south and spend much of the money they have taken from Canada through the development by United States interests of our paper, power and other industries, thus returning part of it to Canada. The imagination alone of the Finance minister, if properly exercised, would lead him to believe that he could justify support for this resolution.

The continued development of eastern and western understanding, community up-building, and national development justify the construction of an all-Canadian highway. Not only that, but it makes an immense appeal to

the imagination of the peoples east and west. I am satisfied there is not a prairie member sitting in this house who has not felt a thrill when he has seen in his town a motor car bearing a Quebec license, or, better still, bearing a Nova Scotia license. In all my time in the west I have only seen one motor car bearing a Nova Scotia license. I am exceedingly anxious to see more of these cars out there and that we in turn may have the opportunity of spending our holidays seeing Canada instead of seeing the United States. If there is one thing that would draw me down south of the line on my holidays—and, after all, most of us like to take a couple of weeks' holidays; most citizens are realizing the necessity for it—it would be the splendid roads and accommodations the United States provides for its tourist traffic. You find not only wide roads built to specification, but splendid equipment all through as a result of the development of the tourist traffic. These things would not happen if considerable encouragement was not given to the construction of highways.

Let me direct the attention of the Minister of Finance to the fact that the federal government of the United States has recognized its responsibility in this matter, and recognized it in no uncertain way. That government has granted to the states in the union some $700,000,000. A similar expenditure by Canada on a basis of population would mean that Canada would have voted $50,000,000 by this time instead of $20,000,000.

The hon. leader of the opposition has stressed the point of investment and relieved me of the necessity of pressing that further upon the Minister of Finance. I can only say that when the minister himself conservatively admits that $200,000,000 was spent by tourists last year in Canada, surely he has admitted that the construction of good highways is a mighty good investment for Canada. I want to take issue with him on the figure of $200,000,000. This is not an important point, but I think if he carried that figure to about $250,000,000 he would have still been on a conservative basis. The actual result of the expenditure of that great sum of money in Canada was stressed by the leader of the opposition (Mr. Bennett); no one can minimize the importance it has in the levelling of the balance of trade between the nations. This sum is included, in what is called invisible imports and exports, and must play a very material part in the finances of the country.

I come now, just for a moment, to the need for encouragement of provincial highway work, simply as provincial highways. I am not going to speak of conditions in eastern Canada because not only am I not sufficiently acquainted in detail with them, but I feel that the eastern provinces, to some extent, justify the minister's statement that provincial revenues might enable some of them to undertake the necessary highway work within the provincial boundaries. As regards the western provinces, deprived as they have been of their natural resources since they were formed, deprived of sources of revenue by reason of the absence of control of their resources, they have not been in as favourable a position as the provinces of Ontario and Quebec in this regard. In addition to that they have a relatively sparse population covering a very large territory, but the rapid growth of automobile traffic, the rapid increase in the number of automobiles used per head of population in the west, has brought about a crying need for immediate construction of a great network of roadways. The western provinces are doing their best to cope with that situation, but are meeting with serious criticism throughout those provinces from their own peoples because they are not able to keep step with actual needs within the provinces. Even if Alberta were this year to devote to highway construction all the saving that will result from the transfer of ownership of the railways to the Canadian Pacific and the Canadian National lines, it would still not have enough to satisfy the demands of the people and needs of the province in that regard.

I now ask the Minister of Finance (Mr. Robb) if he does not think it is equally our duty as members of this house not only as he suggests—and a very narrow view it is—simply to sit tight on the money bags of the federal treasury, but if necessary to make capital commitments for national developments. Is it not justifiable that we should, if called upon for the interest of the state, borrow money in order that we may make a good investment? Certainly it is. I do not think the minister himself, after due consideration, will say that it is solely our duty, as he intimated in his speech the other day, to protect the federal treasury. All I can say on that point in passing is that if he regards that as his sole duty, I am afraid somebody slipped in on the treasury on some occasions when he was sleeping and got away with a good deal which could not be justified as well as he could justify this particular proposed appropriation. Therefore, strictly as a means towards national development, towards national unity, as a means of bridging that strip of territory which constitutes a greater separating gap between eastern and western Canada than an ocean itself—I refer to the great northern and western part of

Ontario—the minister would be justified in acceding to the request right now. The request is moderate; it asks for consideration of the possibility of renewing this grant. The leader of the opposition (Mr. Bennett) very sagaciously said the other day that if the government would consent to allow this vote to be a free vote, with the party whips excluded, the house would carry the motion. I think he was correct when he made the statement, and I suggest that if the minister wishes to carry out the will of the people, he will allow members representing the people in this house to vote in that fashion on this question.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, inasmuch as the Department of Railways and Canals administered the former scheme of federal aid to provinces with respect to highways, I have a few remarks to make with regard to the resolution now before the house. After all, like all resolutions of a similar character, it resolves itself basically into a consideration of factors relating to our federal and provincial system of government. The moment a federal system of government is set up involving two jurisdictions, as our constitution does, the question of which of those jurisdictions shall collect the taxes necessary to do certain types of work becomes a matter of considerable interest to the people so governed. This has always been the case in federally governed countries, particularly so in the republic to the south of us, and the question has often arisen in Canada during the past with respect to matters of this kind.

It is interesting in that connection to note that we have two constitutional taxing authorities in Canada, the Dominion as a whole and the individual provinces. It is interesting also to note, in so far as any division can be taken to mean anything, that especially since the war and the indebtedness accumulated as a result of it, the pension payments and other large obligations arising out of it, the per capita tax levied upon the people of Canada by the federal authorities is far larger than, and in some cases many times the per capita tax levied upon the people of any province by the government of that province. This is a fact in connection with all related questions of this kind which I do not think the House of Commons should lose sight of. I have had the good fortune to be present at several Dominion-provincial conferences, both as a provincial minister and later as a federal minister. This subject and other related subjects have always been matters of discussion at such conferences and when the representatives of the provinces gathered around the common board of Canada as a whole to discuss the fundamentals of payments of this kind, their reaction from coast to coast has been identical. I think any hon. member who has ever been present at a Dominion-provincial conference will confirm what I say. The provinces say, in effect, that in principle they are opposed to this sort of thing. Why? Because they say the constitution of the country, the British North America Act, sets up the financial relationship of the two governing authorities, provincial and federal; the British North America Act prescribes the basis of subsidies which shall be paid by one to the other and leaves the expenditure of those subsidies, when received by the provinces, within the absolute control of the provincial authorities. What does the introduction of this other principle mean? —and I admit that occasionally we have to introduce it in a federally governed state. It means that a province is given an extra subsidy provided that it will comply with certain conditions imposed by the federal authorities. At all the provincial conferences I have attended the provinces have united in protesting against the inauguration of what some of them describe as the principle of federal financial coercion in the relations between the provinces and the Dominion. No later than the last Dominion-provincial conference the point was discussed and the provinces were united in asking for an increase in their free subsidies, that is, subsidies which under the terms of the British North America Act would be entirely within the control of the provincial authorities, and the abandonment by the federal government of the general principle of giving subsidies conditionally upon the provinces doing this or that.

Mr. EDWARDS (Frontenac): That was not considered in passing the old age pensions bill.

Mr. DUNNING: My hon. friend mentions the obvious in that regard. I said a few moments ago that this problem—and I am not now discussing it from a partisan point of view —is always present to a greater or less degree in a federally constituted state. I am endeavouring to point out where a general application of this principle would tend to lead us in our constitutional relationships with the other governing entities in this country.

There is another taxing body in all our provinces, and that is the municipality. Many of the provinces themselves do not make grants for road construction within the limits of incorporated towns and cities. There, again, it is a question of who shall collect the taxes. The provinces in their wisdom and in

the discharge of their constitutional functions create municipalities. To those municipalities they give taxing powers with respect to the people within their borders, and having given them taxing powers they impose upon them certain responsibilities, among which usually is the responsibility for the building of roads within the areas of the municipalities. No one would argue for a moment that we should establish the principle that every province should as a matter of right and as a matter of good business share in the cost of building roads in their own large cities. Canada has grown away from that. Why? As a matter of practical political economy it is necessary to work these things out on the basis of who can best and most economically collect the taxes and administer the expenditure of the moneys in connection with the particular activity under discussion.

Mr. McGIBBON: Is the minister not aware of the fact that Ontario does pay a part of the cost of roads through certain municipalities and incorporated villages?

Mr. DUNNING: It may be that the province of Ontario bears part of the cost, as other provinces do, of roads through the smaller municipalities, but I venture to say that Ontario does not bear any portion of the cost of construction of roads in the large cities; I should be very much surprised to learn that that was the case. Generally, at all events, the principle I am endeavouring to advance is a principle which has been generally recognized in Canada. Of course, there are exceptions to it just as there must always be exceptions to the general principle as applied to the relations between the provinces and the Dominion.

With respect to the resolution before the house, the discussion on it has scarcely followed the terms of the resolution itself. Several speakers have referred to the necessity of national highways. The resolution itself deals, I take it, with the former scheme of federal aid to highways, which has just recently come to an end. May I point out that there is an important difference between these two things?

Mr. ARTHURS: The resolution reads, "national highways."

Mr. DUNNING: But it also asks, "that a further federal grant be made to cover the next five years' development of highway construction." Some of the addresses, most of them in fact, that have been made to this house on this resolution have had to do with the construction of national highways. May I, with all respect, point out that it would be difficult to describe the recent federal aid scheme as the development of a system of national highways. In every province the development is described as a system of provincial highways, more for the purpose of developing roads within the province, at the same time keeping in mind, I admit, the necessities of interprovincial communication, but going much further in its area of development than any purely interprovincial or national scheme of highways would require it to do. In fact in all the provinces, under the terms of the federal aid scheme, by agreement entered into between the provinces and the Dominion, the moneys were expended far and wide within the provinces upon a system of provincial highways, which only incidentally were national highways in the sense of providing national accommodation for travel from coast to coast.

Mr. CLARK: Is it not a fact that all those highways were actually approved by the Department of Railways?

Mr. DUNNING: Oh, yes.

Mr. CLARK: Consequently it was only a matter of supervision on the part of that department that was required to make them national highways.

Mr. KELLNER: I would ask if the Minister of Education—pardon me, the Minister of Railways—sees anything in this resolution that precludes the possibility of building national highways.

Mr. DUNNING: I thank my hon. friend for the compliment implied in the title which he has just bestowed upon me.

Answering first my hon. friend from Vancouver-Burrard (Mr. Clark), I was not in any sense criticizing the former scheme, but rather discussing the difference between that scheme and what has been described by members in discussing this resolution as national highways giving inter-provincial communication. The development of the former scheme was not controlled, in so far as location was concerned, by the Department of Railways and Canals except to this extent, that the scheme provided for an agreement to be entered into between each province and the federal authority covering the locations for main provincial highways within the province, and the interpretation put upon that by successive ministers of railways and successive governments was that the Dominion was for the time being assisting the provinces in the development of a system of provincial highways, which only incidentally between points on the borders of the province, where they

linked across the province with the development of similar systems in another province, could be considered national highways. But I would point out to my hon. friend that if the Dominion government in connection with the old scheme had been concentrating upon the idea of national highways, it would undoubtedly have insisted upon a higher standard of road, particularly in the western provinces, and upon the confining of the expenditure sufficiently to provide a good hard surfaced interprovincial road or roads, instead of, as is the case, the building of a high standard dirt road. Naturally the desire of the provinces that came under this scheme was to make the money go as far as it would in solving provincial rather than interprovincial or national problems.

Mr. CAHAN: Why not solve the interprovincial or national problems now?

Mr. DUNNING: I forget just what was the question asked me by my hon. friend from Athabaska (Mr. Kellner).

Mr. KELLNER: I asked if the minister could see anything in this resolution that would preclude the building of interprovincial or national highways.

Mr. DUNNING: Certainly not. My hon. friend is most broadly generous in the terms of his resolution. He would by virtue of it have funds granted to build highways anywhere in Canada. That is what his resolution means, if it means anything, and that is one of my complaints against it.

Mr. CAHAN: Why not confine it, then, to interprovincial or national highways?

Mr. DUNNING: My hon. friend is rather getting ahead of my thought. I shall come to that phase of the matter in a moment.

It was the experience under the former scheme that a number of the provinces did not signify their willingness to enter it until some years after it was inaugurated. The province from which my hon. friend the mover of the resolution comes did not see its way clear to respond to this scheme until some years after its inauguration. I am not blaming the province of Alberta for that. The reason advanced at the time, if my memory serves me correctly, was that the province of Alberta was not then in a financial situation which would enable it to take advantage of the federal aid scheme. That is one of the objections registered by the provinces generally to this type of federal aid, with a string on it, as they describe it. They would rather have consideration given by the federal authorities to an increase in the free subsidies provided for by the pact of confederation.

Now I come to the national highway system, considered apart from a scheme of assisting the provinces to build provincial highways. Undoubtedly the discussion in Canada of the desirability of providing a coast-to-coast highway—I prefer to use the singular with regard to it because of our magnificent distances and what would be involved in agreeing to provide two, three or four national highways—undoubtedly, I say, the possibility of being able to travel on a good road wholly within the borders of our own country does strike the imagination of the Canadian people.

But I do submit, sir, that the development of the idea, if at any time undertaken as a national matter, would be fraught with great difficulty in reaching an agreement with the provinces respecting it—great difficulty as to route, as to places it would touch and as to places it would leave on a side road; and fraught also with difficulty respecting its construction and maintenance provided there was any arrangement made between the two constitutional authorities. I believe if we ever do build a national coast-to-coast highway, it will in the nature of things have to be a national undertaking. Judging from experience with the former scheme, I do not believe it will be practicable to undertake such a national highway by agreement with the provinces.

Mr. ARTHURS: If I may interrupt the minister, has he had any information as regards the working of the Federal Highway Act in the United States?

Mr. DUNNING: Yes, Mr. Speaker. The highways branch in the Department of Railways and Canals has a record of most of the grief in the experience of the United States, and also of most of the good results which have accrued. There is no doubt at all that in connection with any development along this line we would, by studying the experience of the United States, be able to learn a number of things which it would be wise for us to avoid. I gather that this is what my hon. friend has reference to. The problem which I am discussing has been particularly acute in the United States, that is, the difficulty in reaching arrangements involving both federal and state authorities with respect to the location and so forth of national highways.

However, in relation to any proposal to build a national highway at federal expense we must consider it in a transportation sense. During the past couple of years greater expansion and development in business have

occurred in Canada than for many years before. There never was a time in the history of this country when the demands upon us for transportation expenditures were as great as they are to-day, in order to keep pace with the development and expansion of the natural resources of this country. I have on the order paper now provision for a branch line program for the Canadian National Railways, involving the expenditure of some $28,000,000 within the next three years.

In connection with that also, may I point out that our great railway systems are finding that as they build branch lines for the development of our natural resources, of business and of manufactures, the increasing traffic on those lines brings them face to face with a constantly increasing and relatively unproductive form of expenditure in the enlargement everywhere of terminal facilities. In Canada we have as yet experienced only a few of those terminal problems which in the United States have cost hundreds of millions of dollars each to solve. In Toronto we have faced the situation at very great expense. Montreal unquestionably is a place where we must face it, and face it in a large way in the very near future. In fact, it is very necessary as a matter of transportation economics, of public safety and public convenience right now. I mention those two cities only as instances of the fact that the building of branch lines with their resultant traffic and the development of traffic on existing lines, main and branch, is increasing at all times the terminal problems for our transportation companies.

Now, this parliament is responsible for providing money to carry out developmental work in connection with one of the two chief transportation institutions which we have in this country, and more and more we are appreciating what that means. True, at the present time the Canadian National railway enterprise is earning a fair rate of interest on a capitalization of pretty close to one billion dollars, but we have a great deal more than that invested in it, and it is necessary for us, in order to discharge the obligation which rests upon a great railway, to spend during the next number of years increasing amounts not only upon branch lines and other necessities of that kind, but also upon terminal facilities to take care of the very largely increasing traffic of the country.

In that connection may I point out, too, in relation to the national highways aspect of this debate, that in Great Britain and in many parts of the United States to-day one of the major transportation problems arises through motor truck and motor bus competition on through highways with the railways. One of the very difficult economic problems of transportation in the old land to-day is that very problem. That does not mean, Mr. Speaker, that because of the possibility of the problem arising we should abandon the idea of having a national highway. I hope my hon. friends will not put those words into my mouth. But I do say we must always have regard to our over two billion dollar investment in railways in providing for the development progressively over a period of years of a form of transportation which will tend to reduce the possibility of our railways earning their own way. That is a matter not so much of the propriety or the desirability of national highways; we are all agreed on that. I think everyone would agree that it would be a good thing for Canada. Rather it is a matter of the time when it should be undertaken in relation to the tremendous investment which we now have in a form of transportation which this country simply cannot do without, which we must maintain and which we must provide the finances for as necessary from time to time.

So while I will have to vote against the very general terms of this resolution, I do appreciate the raising by my hon. friend from Athabasca (Mr. Kellner) of the question of national highways. And I draw a clear distinction between national highways connecting the provinces and highways under the federal aid scheme, which enabled the provinces to build highways all over their own territory. I repeat, I draw a clear distinction between the two, and I think there is merit in this house keeping constantly before it the desirability at some time in the not distant future—I will go that far—of evolving a system whereby we may have a national highway from coast to coast. But in putting those considerations before the house, considerations of a purely economic character, I desire again to emphasize the very great interest we have in the existing form of railway transportation, the very great expenditure to which we must be committed within the next few years in its development, and generally the situation in which Canada finds herself in that regard.

Finally, I would repeat to those hon. members who are pleading for the provinces in connection with this matter that the provinces themselves at the Dominion-provincial conference stated that they are opposed to the type of Dominion grant which carries with it certain conditions which the province must comply with by way of expenditure itself in

order to earn it. All the provinces of Canada argued for an increase in the general subsidy, which of course would be a part of their own general revenue and subject to provincial legislation.

Mr. McGIBBON: Have they ever refused a grant?

Mr. DUNNING: A number of the provinces did refuse the grant for a number of years after it came into effect.

Mr. McGIBBON: But for a different cause.

Mr. DUNNING: Not as a matter of principle.

Hon. R. J. MANION (Fort William): I do not intend to take up much of the time of the house, but coming from a great section of northern Ontario which has been brought into the discussion, and which forms the gap so often referred to between the east and the west, I feel I should not be doing my duty if I did not say a few words on this important question.

As I listened to the Minister of Railways (Mr. Dunning) speaking this afternoon at some length—indeed, at much greater length than he usually speaks when he wishes to convey an idea—I found myself wondering whether he was not trying to drown the whole idea in words. It seemed to me that he was illustrating the old saying that language is given us to hide our thoughts, because every now and then there cropped up in his remarks the admission that the resolution was a good one, that national highways were important, and that in the not distant future it would be necessary for us to have such highways. But for some reason he intimated that he would vote against the proposition. I must confess that to me his remarks were not as lucid as they usually are when he is explaining any question on the floor of the house.

That section of northern Ontario extending from Sudbury on the east to the Manitoba boundary on the west—a distance of some 700 miles—forms the gap so often spoken of, the crossing of which by a national highway would do much to link up the east and the west. That gap is crossed by the railways, but it is not crossed by motor highways which are so necessary to-day. Last year I had the pleasure of motoring from Ottawa to my own home; but my experience was somewhat similar to that of other hon. members who have spoken this afternoon: it was not possible to motor on Canadian roads; I had to go by way of Chicago and Duluth. To-day you can motor from Ottawa as far as Sault Ste. Marie, but from Sault Ste. Marie to the head of the lakes there is no motor road; if you wish to go from Sault Ste. Marie to the head of the lakes you must go through the United States. There are between the Soo and Winnipeg some very good farm roads over short distances of twenty-five, thirty and even fifty miles, but there is a wide gap between the head of the lakes and Winnipeg and this must be crossed by entry into American territory. That 700 miles from Sudbury to the Manitoba boundary is an exceedingly difficult stretch—the most difficult, possibly, with the exception of the passage across the Rocky mountains. The building of that section would certainly be an enormous advantage and it should be assisted by the federal government. There are some national viewpoints which transcend provincial or municipal points of view such as have been discussed at some length by the Minister of Railways, and we must not overlook the fact that the population of that area is too sparse to help materially in the building of the road. Even the rich province of Ontario, the most populous province, can hardly afford, without Dominion assistance, to build the highway across that great section of territory, which for the most part is rocky. The highway would have to be built over a good many obstructions. It is hardly correct, by the way, to describe that section of country as a barren waste. Not that anyone has so described it in this debate, but I have heard a good many people speak of it in those terms, and I wish to correct that impression; it is far from being a barren waste. While that area is as great as France and England put together, it has a population of only 200,000, but it has a great many resources in pulp wood and lumber, in mines and fisheries; much of the mining wealth dug up from the bowels of the earth in this country is obtained from that northern section of Ontario. With Quebec and British Columbia, that section of the Dominion forms the great pulp and paper and mining area of Canada.

I wish to point out that there is to-day a highway leading from the head of the lakes to Duluth, one of the most magnificent highways on the North American continent. It runs for a distance of something over 200 miles, and by the expenditure of a little money—a start is being made by the provincial government in this direction—the Canadian side of the road could be made as desir-

able a highway as that which is now open to use on the American side. That, however, will not solve the difficulty that exists at the present time and which was so well described by the hon. member for Bow River (Mr. Garland) in his speech, namely, the difficulty of linking up east and west. To-day you can motor from the maritime provinces right up to Sault Ste. Marie, and, to a large extent, from Winnipeg through to the Pacific coast, although I do not believe the road across the mountains is such as to render motoring easy just yet. My hon. friends from British Columbia correct me; someone says it is. I was in British Columbia this year, when I was informed somewhat differently; I was told that it was not easy motoring at the present time. However, I am glad to be corrected in this respect, and it constitutes an even greater reason why the Dominion government should take the national point of view in regard to the building of a national transcontinental highway, seeing that there is so little left to be done. In other words a transcontinental highway is already largely built, except the section across northern Ontario, the section which it is necessary to construct in order to bridge the gap between east and west. The government might well bear in mind that not only does this section contain immense resources in pulpwood, lumber, mines and fisheries, but that it is one of the greatest sporting centres on the whole North American continent. Through hunting and fishing it is being made the playground of a large portion of the central United States, and the building of such a highway as is proposed would make for a marvellous increase in the tourist traffic, which is worth to us to-day from two to three hundred million dollars.

May I observe here that the imagination which the national government displayed away back in 1867, at the time of confederation, has been something of which we might well be proud, when we think that the fathers in those days foresaw the necessity of building the Canadian Pacific Railway from the east across to British Columbia, although at that time there were only ten thousand white people in that province. And largely for sentimental reasons our forebears insisted upon the linking up of the maritime provinces with central Canada through the Intercolonial railway. The government in power in Canada in our day, whether the present administration or its successor, must exercise its imagination on the same scale and extend motor traffic throughout the country. The government, I submit, should assist the province of Ontario financially to construct that highway across northern Ontario so as to make it possible for Canadians to motor, entirely within their own country, from the Atlantic to the Pacific. The Minister of Railways might well give serious consideration to this point, and later in the session introduce some sort of legislation looking to this very desirable end.

Mr. J. A. CLARK (Vancouver-Burrard): The Canadian Highways Act passed in 1919 clearly recognized the principle of federal aid to provincial highways, and that principle has not altered to-day; in fact, it has been very much accentuated by developments since 1919. As a consequence of that act many agreements were made between the provinces and the federal government for the construction of roads. I might refer to my own province of British Columbia; twenty-three separate agreements were made between that province and this government for the construction of highways measuring altogether some three thousand miles. Although these agreements were consummated, there have been actually constructed only about three hundred and sixty miles of road. A little more than one-tenth of the total authorized. The grant to that province for this purpose has been spent, the grant being only $1,250,000. It is infinitesimal when you consider that the Dominion of Canada in constructing that portion of the Canadian Pacific railway which they constructed in the province of British Columbia destroyed a road built under the regime of Governor Douglas, which has cost the province over $2,000,000 in the last three years to replace.

I might mention at this point that as far as British Columbia is concerned I am quite certain that not only the government but the people as well will welcome the extension of the Canadian Highways Act. I have listened to the premier of that province on many occasions speak of the great difficulties which confront his government in the construction of highways because of the peculiar physical characteristics of the country, and I have heard him publicly urge the extension of this act and the granting of further moneys by the federal government towards the construction of highways. So as far as British Columbia is concerned there will be no quarrel with this government if that act is extended for another period of five years, but in view of the growth of this country I would urge a very much more substantial grant than $20,000,000. As an example of what might be done I would refer the government to what is being done in the United States. In that

country the federal government are granting annually over $65,000,000 for the construction of slate roads, and, for that purpose, have granted an amount in excess of $900,000,000.

What has been the effect upon this country of the construction of those roads? As my hon. friend from Bow River (Mr. Garland) pointed out, if he wants to take a holiday trip he is obliged to go south of the line for good roads. I believe the official figures show that the value of the tourist traffic to Canada last year was about $276,000,000; I wonder how much tourist traffic is being taken away from Canada by good Canadians going across the line and spending millions of dollars there when they might go to the greatest playground the world has known. I refer to the Rocky mountains in British Columbia and western Alberta, and I believe that Canadians would gladly go there if roads were constructed to permit them to do so.

I believe, Mr. Speaker, that there are many sound reasons on which the federal government might base a grant for the construction of roads. Consider harbours, for example, for which the federal government is indisputably responsible. Access to these harbours must be provided, and at present that access is being gained over roads constructed by the provinces and the cities. Grants might well be made in order to assist in providing access to these harbours, wharves and docks. Then the value of Dominion lands and Indian reserves has been enhanced through the construction of roads by our cities and provinces. I might point out to the Minister of the Interior that there is an Indian reserve in the city of Vancouver for which I believe he is asking $800,000, the value of which is wholly dependent upon the growth of the city of Vancouver and the roads surrounding it. I might just add that I think the price is absolutely exorbitant; I may have something further to say in this connection later on. Then consider the public services generally, the Post Office Department for example; the delivery of rural mail and in fact the delivery of mail in the cities could not be carried on without these highways built by the cities and provinces. Then there is the Department of National Defence, and I am afraid many members of this house will think I am going beyond the point in saying that roads are necessary for national defence. For those who do not believe in national defence I would suggest that the roads would be very useful for them in case trouble arose and they did not want to defend themselves; such roads might provide a means of escape.

[Mr. Clark.]

Mr. POWER: The other chaps could follow up too easily.

Mr. CLARK: I think my hon. friend would find that in this country there would be enough men left to block the advance of the other fellows.

Then I would like to point out to the Minister of Finance that last year these roads constructed by the provinces resulted in an increased revenue to this country. The customs duties on automobiles, tires, accessories, and so on amounted to some $19,000,000; the sales tax amounted to about $3,800,000 and the excise tax to about $2,600,000, a total revenue of some $25,000,000 resulting from the importation into this country and the sale of automobiles. That is $5,000,000 more than the total grant made under this act. Surely some part of the increased revenues being collected by this country might well be devoted to the construction of better highways throughout Canada.

The Minister of Railways has spoken of the danger the highways may be to the Canadian National Railways. I would like to point out that far from being a danger these roads are fast taking the places of branch lines. The necessity for the construction of branch lines has been cut down tremendously by the trucking which goes on over provincial highways, which act as feeders to the main lines. In my own province I can show the minister some lines which have been closed altogether, and while there may be some danger to local traffic there are advantages in that Canada would be relieved of a great deal of capital expenditure in the construction of branch lines.

We had a park recently established in this city from which one may catch a glimpse of the east block of the parliament buildings; that park cost Canada almost $3,000,000. I believe if the Minister of Finance were to sit down and seriously consider the relative benefit to Canada of that park and the benefit of highways I think he would agree that to the people of Canada generally the highways which could be constructed for $3,000,000 would be of much greater advantage.

There is one other aspect of this question which refers peculiarly to my own province, and I believe British Columbia has a claim which is not shared by the other provinces of Canada. I believe that we have a pact with the federal government under which this government is bound to build a highway from the eastern boundary of British Columbia to Port Moody, the original terminus of the Canadian Pacific railway. I recall to the government that in 1868, when negotiations for confederation were developing, it was an essen-

tial of union that the federal government should build a wagon road across the province of British Columbia, and although that stipulation was not contained in the terms of the union there was a protest from the province of British Columbia which was carried to the foot of the throne. As a result of that protest Lord Carnarvon was appointed to settle the disputes between the federal government and the colony of British Columbia, and in 1874 both the province of British Columbia and the federal government agreed to abide by his decision. On November 17, 1874, in a communication to Lord Dufferin, then Governor General of Canada, Lord Carnarvon said:

> The wagon road and telegraph line shall be immediately constructed: There seems here to be some difference of opinion as to the special value to the province of undertaking to complete these two works; but, after considering what has been said, I am of the opinion that they should both be proceeded with at once, as indeed has been suggested by your ministers themselves.

No action was taken by the federal government, and in the following year, 1875, Lord Dufferin visited British Columbia. In the city of Victoria he was met with an arch across the street bearing the words "Carnarvon terms or separation." He refused to pass under that arch, but subsequently delivered a considered address in which he made this statement:

> My only object in touching upon them (the Carnarvon terms) at all is to disabuse your minds that there has been any intention upon the part of Mr. Mackenzie, his government, or of Canada, to break their faith with you. The promised wagon road will necessarily follow, pari passu, with construction of the railway.

As a matter of fact, that wagon road was not constructed but, as I said before, a road which was built under the regime of Governor Douglas was actually destroyed by the federal government in the construction of the Canadian Pacific Railway. This road has been replaced during the last three years by the province of British Columbia at tremendous cost.

Nothing has happened since confederation which has altered the responsibility of the federal government. I have examined the report of the Hon. Mr. Justice Martin, dealing with the claim of British Columbia to the Peace River block, and there is nothing in that to indicate that this claim of the province has been dealt with. I have also examined the statute—the Settlement Act, 1884—which was supposed to have settled certain differences between the province of British Columbia and the federal government, but all this act deals with is the negotiations between the governments of Canada and British Columbia relative to the Vancouver Island railway, the Esquimalt graving dock and certain railway lands of the province. There is nothing in that act, or in any other settlement, which deals with this federal obligation for the construction of a wagon road across the province of British Columbia.

I urge upon this government that they take into serious consideration the carrying out of this solemn agreement made at the time of and subsequent to confederation, known as the Carnarvon pact. I would also urge special consideration to that province because I believe its situation is unique. Owing to its peculiar mountainous character it is most difficult and expensive to construct roads, I believe the most expensive construction in Canada. The Dominion of Canada will be more than repaid for any highway constructed through that province because of the beauty of the mountains of British Columbia and the western part of Alberta. There is no playground in the world which offers such advantages as does this one in western Canada.

Furthermore, I would like to point out that this is an asset which cannot be depleted. You can sell this scenery year after year, and it will be a source of undying revenue if the people of this country will only grasp their opportunity. I believe the resolution before the house has great merit, and the government might readily accept it and extend it materially.

Mr. THOMAS E. SIMPSON (West Algoma): The resolution under discussion urging the advisability of extending further federal aid to the building of highways is one which I think should receive the favourable consideration of this house. The Minister of Finance (Mr. Robb), when speaking on this question on Monday evening, stated that the reasons for making the grant back in 1919 had been justified by the results which had followed. If the reasons advanced for making the grant at that time have been justified by the results, why should we not make a further grant today? The minister also stated that the tourist trade increased as good roads were extended, and I agree with him in that respect. As an example, I might refer to a condition that obtained in a city in my own constituency. Sault Ste. Marie is situated on the border across the St. Marys river from a city of the same name in the state of Michigan. In that state they have some splendid highways, towards the construction of which the federal

government of the United States has contributed very liberally. For many years there have been a number of tourists motoring up over these highways to the Michigan city but, owing to the fact that the roads were not very inviting on the Canadian side of the border, very few crossed over.

Northern Ontario is large in area, and while the provincial government have been generous in the voting of moneys for the building of roads through that sparsely settled country, they have found it necessary to give their attention first to the roads required by the settlers and have not been able to complete the highway as quickly as they might otherwise have done. Of late years they have been spending considerable money on this highway runnning from Sault Ste. Marie down through Sudbury, North Bay and on to eastern Canada. As a result of the improvements made to the highway, during the last two years tourists have been crossing over at the Canadian Soo in ever increasing numbers. Hundreds and hundreds, if not thousands of additional cars have crossed over to go into the beauty spots of northern Ontario, to enjoy fishing in the many lakes and rivers of that section. Many of them, after spending some days or weeks there, motor down through old Ontario, and thereby leave considerable money in this country. We have no record of the number of cars admitted to Canada for touring purposes during the year 1919, but we have the record for 1924 and subsequent years. In 1924 we find that at all the ports of Canada 1,822,874 cars were entered for touring purposes. In 1928 it is estimated that 3,645,000 cars were entered for touring purposes, the number being doubled in the short space of four years. As the hon. member for Burrard (Mr. Clark) has stated, and as shown in circular No. 9 issued by the Highways branch, the amount of money estimated to be spent in Canada by tourists in 1927 was upwards of $276,000,000, or an increase of $73,000,000 over the previous year. As the number of touring cars entering Canada in 1928 is estimated to be over 500,000 more than those entering in 1927, it is quite reasonable to assume that the amount of money spent in this country by tourists would well exceed $300,000,000. Surely this is a matter of supreme national importance.

The Minister of Railways and Canals (Mr. Dunning) referred to the different methods of taxation in the provinces and in the Dominion, but in looking up the figures we find that the provinces collected in 1927 in registration fees for automobiles, operators' and chauffeurs' license fees and in gasoline tax $19,674,505; but the federal government, as the hon. member for Burrard stated, collected in import duties and excise taxes on automobiles that were constructed to use these roads, and many of which would not have been sold if the roads had not been improved so as to make it possible for the automobiles to use them, the sum of $25,470,011. If the federal government collects in one year $5,000,000 more than it expended in the period of ten years for highway improvement, surely it is not too much to ask them to reconsider the question of continuing the grant.

Another reason that might be advanced in favour of an extension of the grant is this. The federal government is interested in the settlement of the rural sections of the country, and the thing that will have the greatest influence in keeping the people on the land is to provide them with good roads. Someone may say: That is certainly a provincial matter. I will admit that concession lines and so on are provincial matters, but the point I want to make is this, that if the federal government will give assistance towards the construction of interprovincial or national highways, the provincial governments will have more money left to build good roads out to the settlements where the farmers have settled on the land.

My last point, but in my opinion by no means the least, is one that has already been mentioned and has been dwelt on particularly by the hon. member for Fort William (Mr. Manion), namely, the importance of the completion of a transcontinental highway. We have motor roads completed now, fairly passable, some of them in a much better state of repair than others, from the Atlantic to a little beyond the city of Sault Ste. Marie in northern Ontario, but there is that link from there on to the Manitoba boundary, or possibly nearly to Winnipeg, that has to be completed in order to obviate the necessity of tourists crossing over and going through the United States for the purpose of reaching western Canada. In my judgment, the completion of this trans-Canada highway would have a greater influence than anything else in cementing and binding Canada together into one solid confederation. In addition to that, it would prove, as the hon. member for Fort William has said, a great attraction for tourists, as that whole area is dotted with innumerable lakes and rivers teeming with fish. Tourists come over to Canada now, as far as they can get with their motor cars, and spend a considerable time in that section. Some of them have built hunting lodges, and if this national highway were completed, a

great many more tourists would visit Canada and spend their time and money in this country. I suggest that the government, particularly the Minister of Finance, should give further consideration to the question before finally deciding that the grant should not be continued.

Mr. J. C. BRADY (Skeena): Mr. Speaker, the few words that I shall say upon this resolution may advance the debate a little and if that be the case I think I shall be justified in speaking on the resolution. The government must be well aware that throughout western Canada, comprising not merely the prairie provinces, but also the Pacific province of British Columbia, there has not been during the past three years a chamber of commerce, or a board of trade, or a union of any corporate body of men assembled for the purpose of solving the problems of the country, that has not brought in a resolution of some sort asking for the continuance of federal aid to highways. I refer now to the western provinces of Canada. The maritime provinces are likewise concerned in the matter and it might be illuminating if at this moment I read the remarkable words of one who is now in the high position of Postmaster General in the government (Mr. Veniot). I refer to the words used in 1925 by the then premier of New Brunswick on that memorable occasion, February 24th, when he headed a delegation to the Prime Minister of Canada in regard to this very resolution and an extension of time for federal aid to highways. This is what I should like the house to hear:

> Premier P. J. Veniot, of New Brunswick, who headed the delegation, told the federal government, which was represented by the Prime Minister, the Hon. Mr. Graham, and the Hon. Doctor James King, that a moral responsibility attached to the federal government to finish the work begun in 1919. He also urged an extension of time so that the provinces could earn their federal aid grants. Other members of the delegation endorsed the remarks of Premier Veniot.

If a few years ago the hon. the Postmaster General (Mr. Veniot) and the government of which he is now a member, saw the importance of extending federal aid in the matter of building roads in his province and throughout Canada, surely by no stress of necessity and by no force of logic can he now join and vote with the hon. Minister of Railways, who says that he will oppose this resolution if it is brought to a vote. I think that the first thing we should do is to distinguish between what are facts and what are theories. The Minister of Finance (Mr. Robb) the other day most carefully and cautiously advanced arguments as to why he did not consider it advisable to reestablish federal aid for highways, but his arguments were such I believe as not to convince the great mass of the people of Canada, who are anxious to solve the problem of settlement in the far distant and sparsely populated parts of this great country. Public opinion is absolutely in favour of federal aid for highways. When I was up in Alaska last year, the western vanguard of the great republic to the south, what did I find there? I found that the United States federal road commission had established a complete program of road building for Alaska, and the work has progressed to such an extent that one can now travel by motor hundreds and hundreds of miles even into the "Great circle," the land of the midnight sun. I understand that in 1927 alone the sum of one million dollars was spent in the development of roads in that territory.

I am not claiming consideration at the present moment merely for northern British Columbia, for example, where there is at the present time the greatest need of decent trunk roads to connect up with the transcontinental highway. Anybody who has travelled through the great province of British Columbia must realize that the government of that province will be faced with a very great task, not only for the next few years but for many more years to come in the building of roads and trails for the development of that province, but they are now to be deprived, by the refusal of the hon. ministers who have spoken on this resolution of even the chance to get co-operation and assistance from the federal government in what is the most vital necessity confronting that province and this Dominion to-day, namely the development of roads.

I have some figures here as to the number of motor vehicles registered in Canada. In 1904 the number of motor vehicles registered in Canada was 535; in 1926, that number had grown to 836,794, and I believe that in 1929, there will be at least 1,000,000 motor vehicles registered in Canada. What does that prove? That road development is the key to Canada's progress. Is is possible that the Minister of Finance and the Minister of Railways do not appreciate the intrinsic value of those western provinces, and their great importance as a source of revenue, which to-day are struggling under difficult conditions, and which now seek assistance from the federal government in what, after all, is really a matter of federal obligation? The Minister of Finance prac-

tically said that the roads in Canada are fine; in other words, that we are simply bringing to the attention of the government by this resolution a minor issue. Ontario and Quebec, the two oldest provinces in Canada, have at this moment half the population of Canada, and not only that, but they are now so well established that they were in a position to take over between them half of the $20,000,000 grant under the Canada Highways Act for the development of their roads, Ontario having taken $5,750,000, and Quebec $4,750,000. British Columbia's share, as the hon. member for Vancouver-Burrard (Mr. Clark) pointed out, was $1,250,000.

The Minister of Immigration (Mr. Forke) is trying to solve the problem of keeping our people in Canada and attracting others to come to this country, and of attracting tourist traffic, which undoubtedly is one of our great revenue-producing agencies in Canada to-day. I cannot see how the Minister of Immigration can refuse to vote for this measure; for the building of highways throughout Canada is very closely connected with a successful immigration policy. The two things cannot be separated, because one leads to the other.

Speaking on behalf of the province of British Columbia and of the prairie provinces, and I am sure of every other province, except perhaps the two older provinces, I say that this vote will be watched with the deepest interest by the people of every province from the Atlantic to the Pacific. It will be concrete evidence as to whether or not the government of this country have the vision to see to it that every aid and incentive shall be given to develop this country and to settle it, and to keep within its borders the people who are already settled here. Thousands more will come once it is proclaimed that Canada has a program of road development, because good roads are, after all, the arteries of all the progress of civilization. If we are to believe what great economists say, England commenced the greatest period of her development under an extensive road-building program. Last year Quebec and Ontario were able to attract millions of tourists because of the excellence of their roads. I challenge any member from those provinces conscientiously to refuse to come to the aid of these younger provinces which to-day demand that consideration which the older provinces have had, and which public opinion is behind.

Therefore I trust that the right hon. Prime Minister will influence the mind of the hon. Minister of Finance, and the hon. Minister of Railways, so that despite the statement that the provinces can look after their own roads, the government will see to it that not merely will they give federal aid towards the construction and up-keep of interprovincial roads, but that they will undertake the construction of a national highway from the Atlantic to the Pacific.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, this motion is of considerable interest not only to members of the house but to Canadians generally. A portion of the resolution does not appeal to all members with the same force. It asks that the federal grant be continued to cover the next five years' development of highway construction, and this makes it appear that there would be duplication of jurisdiction in relation to that expenditure as between the federal and provincial governments. The Minister of Railways (Mr. Dunning) pointed out the objection to such procedure, and stated that any work to be undertaken, if it were to be transcontinental in character, should be handled entirely by the federal government.

I do not wish to enter very far into this discussion, but I should like to put on record a resolution which I have received from the Kindersley lodge of the United Farmers of Canada. This will give the house an idea of how the farmers out in the country view this subject. The resolution reads as follows:

> Whereas tourists to our country leave considerable revenue,
>
> And whereas the highways of Canada, especially those in the prairie provinces, are such as to discourage tourist traffic,
>
> And whereas the government of Canada has expended large sums of money on our national parks, but has made little or no provision in the matter of highways for the people to get to them,
>
> Therefore be it resolved that we ask the federal parliament to pass the necessary legislation to contribute fifty million dollars out of the public treasury to be distributed among the provinces on a mileage basis for the purpose of constructing a hard-surface highway throughout Canada.
>
> J. Stanley Hickson,
> Secretary.

The point has been emphasized so many times in regard to the magnitude and importance of our tourist traffic that it is scarcely necessary for me to dwell very long upon it. We are all aware that Canada has peculiar attractions for the American tourist. We can offer him picturesque scenery, invigorating climate, and opportunities for hunting, fishing, and so forth, and best of all we have that thousand-mile stretch of Christmas trees and rocks stretching from eastern to western Canada. It seems to me, Mr. Speaker, that if we had a through highway for tourist traffic

the already large revenue therefrom would be increased possibly fifty per cent or more. It has been stated that that traffic brings to this country in excess of two hundred million dollars annually. If that could be increased by fifty per cent, the expenditure of a few million dollars on a trans-Canada highway would be a very profitable investment for the Dominion. But there is not only the tourist traffic of the United States, there is interprovincial tourist traffic as well. From my own district several citizens have on various occasions motored to Ontario, but to reach their destination they have been compelled to go through American territory, and of course they had to leave some of their money with our American friends. It would be a great step in advance if Canadians motoring from the west to the east could travel on an all-Canadian highway.

Then we have several national parks. Only last summer one was opened in the northern part of Saskatchewan near the city of Prince Albert. A considerable portion of federal money is expended on such projects. I might mention also the national park at Banff. Surely it would be a wise and profiitable investment on the part of the Dominion to build a highway over which our eastern friends could travel to western Canada and view those beautiful parks.

For those reasons, sir, the resolution as worded does not particularly appeal to me. It leaves the way open for a sort of collaboration between the federal and provincial authorities. To overcome that objection I move this amendment, seconded by Mr. Speakman:

> That the last ten words of the resolution, namely, "to cover the next five years' development of highway construction" be struck out and the following substituted therefor:
> "to construct as expeditiously as possible from coast to coast an all-Canadian highway."

Mr. T. E. KAISER (Ontario): Mr. Speaker, I am surprised at the position taken by the government on this question. I am doubly surprised at the attitude taken by the speaker who stated the position of the government; I refer to the hon. Minister of Railways (Mr. Dunning). As member for Regina his policy is to my mind absolutely incomprehensible. If I returned to Oshawa, the home of the automobile industry, and did not raise my voice in favour of the construction of good roads, I do not think my chance for re-election would be very good. Regina, represented by the Minister of Railways, secured one half of the industry from my city during the last summer, and how any man representing a city with a large automobile industry engaged therein can stand up in parliament and vote against good roads is an inconsistency quite beyond my comprehension.

With regard to the argument that the Dominion government is not obliged to grant money for the construction of good roads by reason of some language to be found in the British North America Act, let me observe this. The automobile is a comparatively new thing in this country; it came into existence since the act was passed in 1867. If the British North America Act were being drawn up to-day, I am satisfied that the founders of Canada would ask the Dominion government to contribute towards the construction of roads throughout the entire country. The automobile, being a new class of vehicle, and the kind of highway necessary to make possible the use of that vehicle being so very different from anything contemplated at the time the British North America Act was passed, the cost being so great, the undertaking would undoubtedly be regarded as a national work.

I have observed a tendency in the last number of years about which I desire to say a word. The British North America Act provides that matters specifically assigned to local legislatures shall be taken care of by those bodies, while matters not specifically assigned to the provinces shall fall within the purview of the Dominion government. Now strange to say, in respect to necessities that have arisen since confederation—necessities that could not possibly have been foreseen at that time—the Dominion government is quite willing to leave the responsibility to the provinces so long as any cost is involved. Let me cite one or two examples.

Take first the matter of public health. At the time of confederation the only reference to public health was the provision that the matter of quarantine should be left to the Dominion. But public health as we know it to-day is something that was not considered at confederation, and in this connection the provinces have taken off the hands of the Dominion millions of dollars of expenditure which the federal government should have undertaken. Take again the transmission of electricity; this is something that was not contemplated when the act was drawn up, and the provinces have taken it over. The province from which I come has spent $250,000,000 developing electrical current for transmission to the people of Ontario. This matter was not specifically referred to in the British North America Act and so the province has

to look after it. If you look closely into these matters you will find that the argument is all in favour of federal responsibility. And they involve tremendous sums of money. But if there is no cost attached to any new undertaking, if some nice jobs can be had, some commissions appointed for favoured friends of the government,—the radio, for example—then, of course, the Dominion willingly takes it over. The federal government in these cases take this attitude: "We will run it; it does not cost any money but there is room for a few appointees". In matters which have come along since confederation new in character, and in which money is involved, then the Dominion passes the responsibility on to the provinces. Now we come to a case that calls for the expenditure of some money and in regard to which there may be some doubt as to whether the provinces should undertake that expenditure, or whether the Dominion government should assume it, and the spokesman of the government says that the federal authorities will leave it to the provinces. When the money for this cause was originally voted everyone considered it a good thing; but to-day, when there is a universal demand that the Dominion government shall continue the grant for the construction of good roads, and particularly in those sections of Canada that do not enjoy this benefit, we find objection being raised.

Nothing prompts me more to say a word in favour of the motion than this. On two occasions in the last ten years I have been over the prairie country, and I am delighted to think that this resolution should come from the member of a western constituency. The great need of the west is ready and easy intercommunication, and no other means known to-day will provide this so efficiently as the construction of good roads. No part of Canada needs these roads more than the great western country, and for that reason, if for no other, I submit that the government should continue the grants they have been giving and make further reasonable expenditures for the purpose suggested by this resolution. The government can spend money in other directions without ever offering an excuse. We on this side of the house can point out wherein the government might save millions of dollars which could be devoted to the construction of good roads. Take for example the annual expenditure of $135,000 in Washington. Capitalized, that would represent in time four or five million dollars, and it would be far better for Canada to have a less conspicuous and less costly legation in Washington and spend the money in providing good roads. By this means we could entertain the Yankees, when they came here, to much better advantage than by asking them to take a look at that $500,000 mansion which we built in Washington. I intend to support the resolution.

Mr. SPENCE: Mr. Speaker—

Mr. DENIS: M. l'Orateur—

Mr. SPENCE: Who has the floor? I have been on my feet so often, and so many have spoken ahead of me, that the speech I had prepared has all gone.

Mr. DEPUTY SPEAKER: The hon. member for St. Denis has the floor.

Mr. SPENCE: I do not wish to appeal against your ruling, Mr. Speaker, but for an hour I have been getting up on my feet; I have been on my feet about ten times.

Mr. J. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, I intend to be brief in my remarks. I am opposed to the resolution under consideration because, to my mind, it is unconstitutional. The Dominion parliament should not be called upon to vote money for the construction of roads. This is within the realm of provincial legislatures. It is before the provincial legislature that the fine speeches of the hon. member on your left, sir, should have been delivered. I am in favour of good roads, in this agreeing with all the speakers who have preceded me. As to the province of Quebec, it does not apply to the Dominion parliament for the necessary funds to build its roads. We are blessed with fine and good roads, entirely paid for by the province and we have an easy access to the other provinces. If trade and social intercourse have not always been in the past what one might have expected, the blame cannot be thrown on our roads.

If, sir, certain provinces have not the money to build good roads, they should, in my opinion, take other means to obtain it and not attempt to have unconstitutional measures adopted by this parliament. I would rather advise them to ask for an increase in their subsidies. That would be the best way out, a truly constitutional procedure to obtain the necessary funds needed for the construction of their good roads. Quebec is in no way disposed to foot the bill for the building of roads which are not within its limits. It succeeded in building its roads with its own money, let the other provinces do likewise. I entirely agree with the hon. Minister of

Railways (Mr. Dunning), and I approve without reserve the arguments which he has set forth. He was absolutely in order, and in my opinion this resolution should not receive the approbation of this house. For my part, I am strongly opposed to it.

Mr. DAVID SPENCE (Parkdale): Mr. Speaker, I am delighted to see the splendid support given this resolution, but I notice that it is coming particularly from this side of the house. I have been waiting patiently for hon. members opposite, and particularly those from Saskatchewan, to support it also; many of them believe in the good roads movement, but they are sitting there muzzled, as it were.

Some hon. MEMBERS: Order.

Mr. SPENCE: I do not think that is unparliamentary.

Some hon. MEMBERS: Take it back.

Mr. SPENCE: Very well; I will substitute the words "they are struck dumb." I would suggest to the government in all seriousness that since this is not a political question the whips withdraw and allow hon. members opposite to vote for once at least in the interests of all classes.

The Minister of Railways usually makes a good defence when he gets on his feet; I admire him for his ability, but today I think he demonstrated that he did not know much about good roads. He tried to defend the government for not making federal grants to highways; he compared the obligations of the present government with the obligations that existed in 1919. Everyone knows that a great deal more money is coming into the federal treasury to-day than was the case in 1919, because we are paying heavy taxes on everything. There was also some mention of constitutional relations, but we can forget all about that because it is only quibbling. Then the minister went on to say that the provinces did not contribute to the construction of good roads in the smaller incorporated town and villages. Later he willingly took that back because he found he was in error, and he said that statement referred to cities at least. So you can see that his arguments are not sound.

Then the minister went on to say that at some time in the near future he might give some support to a federal or national highway, but he said the great trouble then would be in negotiating with the provinces. Let me tell him that I know of no difficulty he would meet in that respect; the provinces will be only too glad to relieve themselves of the burden of keeping up some of their present highways. In the construction of a highway from Halifax to Vancouver many hundreds of miles of excellent roads could be included without any construction cost to this government.

Years ago the townships built the roads, as you all know, and it is not many years since the provincial governments took over certain highways. I happened to be on a good roads commission in 1911—

Mr. VENIOT: My hon. friend refers to the townships building roads. That applies only to Ontario, I presume, because that was not the case in my province.

Mr. SPENCE: That was done in Ontario. First the townships built the roads; then the counties started road construction, and commissions were appointed to spend the money of the different municipalities and the contributions of the provincial government. Then the provincial government came along and took over many miles of roads built by these commissions, such as the Toronto and York Highway Commission of which I was a member, and made them provincial roads. So if the federal government wishes to build a national highway from coast to coast I am sure the provincial governments will be glad to hand over such portions of their roads as are needed.

It is not often that I am in entire accord with hon. members to my left, but in this case they have my hearty support. Having been connected with the good roads movement for many years I know the necessity for good roads and the advantage they are to the country. Away back in 1911, when the good roads movement started in Ontario, I think first in the county of York, our plea to the people was that we had to make life congenial for the farmer. At that time hydro was being developed and discussed and we contended that these two things, electric light and good roads, were in the interests of the farming community in order to keep the farmers on the land. That applies today, because it is very hard to keep men on the farms, and good roads and electric light and power are necessary if they are to be kept where they belong. Of course I do not mean to infer that farmers should not be in this house.

The other day the Minister of Finance was complaining about resolutions of this kind being introduced at this time of the session advocating high and perhaps extravagant expenditures, while later on the members pre-

senting these resolutions would criticize the government for making extravagant expenditures. To my mind this is not an extravagance. We who are supporting this resolution are trying to induce the government to spend money in a way which will be of the greatest advantage to all classes in Canada. The Minister of Railways has presented a program of branch line construction in connection with the Canadian National railways which to my mind is not nearly so necessary as a program of good roads. He knows that to-day the buses of this country are carrying more passengers than the railways are carrying, particularly on short hauls of from 20 to 120 miles, and the trucks are doing the same in connection with package freight. A short time ago the Minister of Railways mentioned the money spent on the Canadian National and other railways, but it does not matter how much money has been spent in that way because to-day the people want to ride on rubber on good roads, and the railways will have to comply with the wishes of the people. The railways themselves are largely responsible for this situation, because in the past and particularly during the war and immediately before the war, they would give no service at all to the people. I well remember that I was instrumental in bringing a deputation to Ottawa at one time in connection with the railway operating between Niagara Falls and Toronto. If the engineer or conductor happened to be in a bad humour he would leave a couple of hundred cases of strawberries lying on the siding at Clarkson, Bronte or some such place along that line; they would be left in the sun all day to spoil, and we had to arrange for trucks to come from the city of Toronto and travel perhaps thirty or forty miles to bring in these shipments. In those days the railways were run by the men who worked them and not by the management.

We all know there is reckless expenditure here every year in connection with wharves, breakwaters and so on; I think hon. members opposite will admit that. They have to do these things to please the members of their own party; they have to hold certain ridings, and this sort of thing goes on. Sometimes, in fact, they do these things for members on this side of the house, but at all events there never have been such reckless extravagances as we have seen in this house in connection with wharves, breakwaters, and things of that kind. On the Atlantic coast, I think they have a breakwater at every little market garden.

An hon. MEMBER: Go easy.

[Mr. Spence.]

Mr. SPENCE: I do not blame you for getting them, because others are getting things somewhere else, but we poor individuals who live in the centres of population are paying the piper and getting very little of anything.

Mr. MARCIL: You are getting quite a bit in Ontario.

Mr. SPENCE: I contend there could be a great saving by taking the money expended for the construction of wharves and breakwaters and putting that money into good roads. I claim the debt of Canada could be wiped out by good roads. The province from which I come has spent barrels of money in building good roads, and their program for this year is just as extensive as it was last year but it is all coming back with interest. The more good roads the more tourists, and the more tourists the more money. When the money comes into the country it stays here and benefits the country. In the urban centre, where I happen to be one of the commissioners, we have never built a bridge or road or anything of that description where the expenditure did not come back to the people through increased assessment. I would not say this would apply to districts such as those around lake Superior, but good road building is a necessity.

The tourist traffic is increasing every day and as long as we have good roads for tourists to travel on they will come here. Of course there are other reasons in Ontario why we have so many coming from the United States: they come here to make themselves happy and enjoy life, which they cannot do in their own country.

As the motion has been amended by the hon. member for Kindersley (Mr. Carmichael), I do not know just which I am supporting, but I am willing to support either one of the two or both, I am such a believer in good roads.

If the government hear the wishes of the people by allowing the house to vote as they feel like voting—take off the whips—I am sure they will consider this resolution favourably. I would suggest that when they start to build this federal highway from Halifax to Vancouver they consider it as an experiment. There have been millions of money wasted in building certain types of road that will not stand the particular climate in which they are built. There are many classes of asphaltic pavement, and also concrete and brick, and more money should be spent on research along this line. If the government are going to undertake the building of a federal highway, I would suggest that they use dif-

ferent types of asphaltic pavement so that the municipality could benefit by the experience of the Dominion government. It would be a great benefit to the municipality if they could see which type of asphaltic pavement was the best, because there is a great diversity of opinion to-day as to which is the best. I am not going to advocate any particular class of material, nor would I advocate a solid concrete road in a country like Canada where our climatic conditions are so severe, but there should be a substructure of at least twelve to fifteen inches if you are to have a road that will last for any considerable time; one that can be retopped as required.

I do not wish to prolong this debate, but I hope the government will give consideration to this matter and ask the members sitting on the back benches to vote as they wish, and let us have at least one vote in the interests of all classes in this country.

Mr. THOMAS CANTLEY (Pictou): I have listened with a great deal of interest to the discussion on this question. I am particularly pleased to see the Postmaster General (Mr. Veniot) in his place, because he has the reputation of being the first maritime member of any government who delved seriously into the question of road improvement. So far as I know all that he did in that connection has been to his credit.

I was somewhat surprised at the attitude taken by the Minister of Railways (Mr. Dunning) for he did not show that familiarity with and knowledge of the matter which he usually does when dealing with important matters.

The government of Nova Scotia took advantage of the act of 1919 as soon as it was possible to do so, and their road board exhausted within a reasonable time the amount placed at their disposal. I speak with some knowledge, due to the fact that my friend the late Hon. R. M. MacGregor induced me to join the first highway board created in the province of Nova Scotia. That board, supposed to be non-partisan, consisted of three Liberals and two Conservatives; the Hon. Percy C. Black, the present Minister of Highways and myself being the black sheep. I only refer to this because of the fact that it gave me an intimate knowledge of affairs in connection with the Nova Scotia provincial roads.

We have between 20,000 and 22,000 miles of highways in Nova Scotia, which is a larger road mileage in proportion to population than any province in the Dominion. I doubt if any state in the union has anything like the mileage of roads in proportion to population. Of course, that means the burden of expenditure is also excessive in proportion to our population.

The Minister of Railways I think was a little in error in his statement in regard to the conditions. Certain conditions were imposed and had to be complied with before the roads came within the provisions of the 1919 federal act. We in Nova Scotia and New Brunswick complied with those provisions, as the Postmaster General well knows. The department set certain standards of construction so that the expenditure was safeguarded in that respect, which is a very important matter.

I am not particularly interested in the question of a national highway, although we have in Nova Scotia a stretch of three hundred miles representing the distance between Sydney and Sackville on the New Brunswick boundary which is part of what will ultimately become a national highway. We see a good many cars from Ontario and Quebec in Nova Scotia. We also have large numbers coming in from the United States, although we have not the liquid attraction which brings many of them to Ontario and Quebec; they come for other reasons, and we are glad to see them.

I referred to our large mileage in proportion to population. Last year the government of Nova Scotia spent, through the highways department, about $1,000,000 for maintenance alone. The cost of maintenance of our roads is increasing every year, and it is bound to increase due to the greatly increased motor traffic, both passenger cars and motor trucks. When our people in Nova Scotia and the other eastern provinces see the large amounts that are voted in this parliament for the improvement and beautification of Ottawa, it causes them seriously to think. In view of the fact that the amount voted some ten or twelve years ago was in the main wisely spent and productive of good results and was a great help to the maritime provinces and, I believe, to the other provinces as well, the government should extend the provisions of the act. It certainly did good service. Without it some of the older provinces, particularly the maritimes, really cannot maintain their roads in the condition in which they should be and in which the people of those provinces are entitled to have them. Federal aid we must have and should have now, not at some future date.

Mr. F. S. CAHILL (Pontiac): Mr. Speaker, I found myself in general agreement with the hon. member for Bow River (Mr. Garland) this afternoon when he was advocating a national highway. I would not want it to be

thought in the house or anywhere else that I was not favourable to the construction of good roads generally. But while I agreed with the hon. member for Bow River in advocating a national highway, I could not agree with him in his conclusion to vote for the resolution, because it would not bring about the desired end. I am not any more in favour of the amendment except in a general way, than I would be of the resolution. Ordinarily, legislation that is created out of a discussion in the house in a hurry, through an amendment, is not very good legislation. The people generally throughout Canada would, I think, be very glad to see a national highway constructed from ocean to ocean and I think the government would be just as agreeable to that as any person in the country. It would be the means of opening up a great prospect to our Canadian citizens. If our people in the east who are now emigrating had an opportunity of driving their cars through to the west, they might find in the west opportunities that would be of as great advantage to them as they might find by leaving the country. A national highway would be one of the greatest assets, after the construction of our railways, that we could have.

But I do not agree in a general way with the sop handed to the provinces. I think it was the hon. member for Burrard (Mr. Clark) who said this afternoon that the principle had been adopted by parliament. My recollection of the matter is that in 1919 the party sitting to the right of the Speaker to-day were unanimously opposed to that resolution granting $20,000,000 as aid to highways throughout the provinces, and I will take the same ground to-day. The aid that was then granted was spent by the provinces on short roads varying from a mile to five, ten or twenty miles in length throughout the various provinces. That is not I think, the object of the people of Canada. What they want, what they would agree to, would be a national highway built on some basis of cooperation between the provincial governments and the Dominion government. I cannot quite agree with the Minister of Railways and Canals (Mr. Dunning) that this road would have to be maintained or operated by the federal government. If there were cooperation in the construction, with an understanding that the provincial governments would maintain the road as they are now maintaining their highways, we would secure the desired results without having the federal authority in any way conflicting with the provincial authorities.

I would be sorry to see a vote on this resolution. I think we are generally unanimous in our opinion that a national highway would be beneficial to the country. Many members of parliament would support a special grant towards the construction of such a highway, but it has not been the policy of this party in the past, in my experience, to hand sops to the provinces. Most of those were originated by my hon. friends opposite and they may have whatever glory may come from them.

Mr. McGIBBON: It might be well to copy from us.

Mr. CAHILL: When my hon. friend gets on this side of the house he may continue it. Copying his attitude is not good business. I cannot support the resolution, nor can I support the amendment, but I am strongly in favour of the development of a national highway from ocean to ocean in Canada. I trust that those who are interested in and who advocate good roads throughout the country will have the matter taken up and discussed at some of the annual conferences of the roads departments of the various provinces and an endeavour made to arrive at a conclusion that will be satisfactory and beneficial to everyone.

Mr. JOHN EVANS (Rosetown): Believing that at this time highways are needed in Canada perhaps more than heretofore because means of communication are essential to the welfare of any country, I am in favour of the government granting to the provinces a subsidy to be used for the construction of roads that would make it easier particularly for those on the land, who are making practically the national income, to market their produce. I am not in favour at the present time of a Canadian national highway. Our railways are just beginning to pay their way and a national highway, as things stand at present, would interfere with their earnings. I believe the need of the country, particularly in western Canada, where there are no road materials any better than sand, gravel and clay, is a subsidy for the construction of roads into the outlying districts of those provinces, roads which would feed our railways. I believe that is the only reasonable attitude for the government to take. We need that; the settlers need it, and it would help the railways to increase their earnings.

I have sometimes thought the whole of the carrying trade should somehow be placed under one great corporation. Where railways are not warranted, a highway is sometimes a necessity, and provincial highways should be constructed in conjunction with the national system of railways to give means of access to all parts of the country. A national highway

will serve only a particular class, namely the tourists who come here for a little while in the summer. Tourists who come from the United States will not want to go from east to west in our country; they will want to go north into the wilds in order to enjoy themselves in that bracing air and amuse themselves by fishing and so on. There is a need for highways in the provinces and I hope the government will see fit to grant a subsidy for that purpose.

Mr. PETER McGIBBON (Muskoka-Ontario): I rise to give my support to this resolution, coming as I do from one of the great tourist sections of Canada which is intimately connected with good roads and which has seen more or less the financial benefit that follows a system of this kind. I support the resolution on another ground, that advanced by the Prime Minister (Mr. Mackenzie King) in the house the other day when he said that it was the duty of government to increase the happiness, contentment and prosperity of our people. Looking at rural Canada, I know nothing that will contribute more to the peace, happiness and prosperity of the people than three things. First, good roads, which has been the subject of debate here this afternoon and on previous occasions. Second, rural telephones, which puts one neighbour in contact almost every minute of the day with his friends and neighbours. Third, rural mail delivery, the task which has been committed to my hon. friend the Postmaster General (Mr. Veniot), and I would like to take this opportunity of thanking him publicly in this house for being considerate of the requests which I have made of him. I might also inform him that it is my intention to come to him again with more and even greater requests than I have made of him in the past, and I expect to be met by that genial smile and that cordial welcome which he has always accorded me in the past. Consequently, with these three ends in view, which I think will increase the happiness, content and prosperity of the people of rural Canada, I have very much pleasure indeed in supporting the resolution.

I cannot possibly agree with the Minister of Railways (Mr. Dunning), and I am very much surprised that one who, coming to this house with such a reputation as he had, has failed to grasp the significance of a resolution of this kind. He hides behind that old excuse which is so often trotted out in this house, the British North America Act. I could not help but agree for once in my life, and I did it with considerable diffidence, with my hon. friend from Winnipeg North Centre (Mr. Woodsworth) when he said that the British North America Act might yet sound the deathknell of confederation. I should be very sorry to see that, because I realize that the British North America Act is the backbone of our constitution and one of the safeguards of our people. But who sixty years ago could forecast the conditions that we have in this country to-day? As my hon. friend from Ontario (Mr. Kaiser) has pointed out, the automobile industry was not in existence at that time, and when the great burden was placed upon the provinces of building and maintaining the roads of this country, I am sure it could not possibly have been conceived at that time what a great burden this would ultimately become. In fact, I am one of those who believe that that burden is too great to-day for any province in the Dominion to carry successfully, and too great a task for the provinces to undertake in the manner it ought to be undertaken in the interests of the people.

Moreover, this government has in the past, as no doubt it will in the future, invaded the revenue-producing fields of the provinces. The federal government has, for instance, tapped the income tax field, which rightly belongs to the provinces, while at the same time the provinces have no new sources of revenue to tap to meet their burdens, which are daily becoming greater until to-day they are almost unbearable. Consequently I say the time has come—and if it has not come now it certainly will be reached in the very near future—when the Dominion government should come to the assistance of the provinces in carrying on these great works, which, after all, are in the interests of the citizens of all Canada.

I support this resolution for another reason. I support it on business grounds. When we look back and see how a business that ten years ago amounted to nothing is contributing to-day at least $25,000,000 to the exchequer of Canada, and distributing among the pockets of our people $276,000,000 a year, thereby increasing their prosperity, we do not need to have very much vision to realize that in the not distant future, possibly within the next ten years, that business will double and treble and quadruple, so that the revenue received by the exchequer will amount, not merely to $25,000,000, but probably $50,000,000 or $75,000,000. I submit that no business man and no business institution whose business was growing to the extent I have indicated would hesitate to lay plans for the enlargement of plant to take care of that greater business which there was every reason to anticipate.

From that point of view therefore it is good business for the government to support this resolution and to spend, not merely $10,000,000 or $20,000,000, but $30,000,000 or $40,000,000 on the building of good roads, spread over the next ten or fifteen years.

I support this resolution also on national grounds. As has been stated here this afternoon, with greater facilities for communication established between east and west there will develop a greater national spirit and harmony in this country, producing a more contented and a happier people.

I support the resolution for still another reason. We know that to-day one of our great problems is that if immigration, and we know also from our experience in the past that one of the difficulties in connection with immigration has been the finding of employment for those who come here. As we look back over our history we find that the most prosperous years we have had from an immigration standpoint have been almost invariably associated with some nation-wide work, such as railway building, which provides employment for the new settlers in the off season of the year and enabled them to make money enough during the dull season to carry them over their first few years in this country. This national highway scheme would provide employment for our immigrants at certain seasons of the year.

I also support this resolution in the light of history. We know that many of the countries of the world that are most prosperous to-day were in difficulties some years ago. I have been told by natives of the state of California, for instance, that before the tourist traffic was developed that state was so poor that it was almost on the point of bankruptcy. But now, with the enormous increase in tourist traffic to that state, it is one of the most prosperous in the union.

There is still another reason why I support this resolution. We are living alongside one of the big countries of the world, a country with 110,000,000 people, a country with which we are in constant communication, a country to which we owe some $2,500,000,000. I submit, as was pointed out by the leader of the opposition (Mr. Bennett) the other day, that the revenue to be derived from the tourist trade will help to keep the Canadian dollar at par, and to maintain our balance of trade at the favourable point it is at to-day; and furthermore, the more Americans we have come to this country, and the more they intermingle with Canadians and the more Canadians intermingle with them, so much better will be the spirit of goodwill existing between the two nations, a consideration which is so essential to our national life and to our prosperity.

I have enumerated only a few of the reasons, Mr. Speaker, why I support the resolution of the hon. member for Athabaska (Mr. Kellner), who I think deserves the thanks of this house for bringing this matter to the attention of parliament. If this resolution is not voted on and carried into effect at this time, I have no hesitation in saying that in the not very distant future this government will have to take up the burden of developing a national highway system in the Dominion of Canada. That is necessary in order that Canadians may know their country, in order that they may know each other, and in order that they may be prosperous.

The Minister of Railways (Mr. Dunning) appeared to be very anxious to raise objections to this resolution. Of course you can raise objections to any proposal; but I submit it is the duty of governments to overcome difficulties, not to create them, especially when it is in the interests of the people that those difficulties should be overcome. I cannot treat some of his objections seriously. For instance, I cannot conceive it possible that, say, the province of Ontario would turn down a grant from the federal treasury to build roads, even though there were strings attached to it, for such a grant would in turn relieve the province of certain obligations. The only legitimate objection that occurs to me is that the government responsible for raising money should be responsible for spending it. That objection, however, has not been raised either by the government or by any of its supporters.

A good proportion of the members to your right, Mr. Speaker, come from rural ridings where roads are almost as essential as daily bread, and to me it is an interesting sight to watch them sitting there and allowing themselves to be led by the Minister of Railways practically in silence to oppose this resolution. I think I can speak with a good deal of confidence when I say that not one of those members represents the opinions of the people who sent him to this house.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 21, 1929

The house met at three o'clock.

RULES OF THE HOUSE

PROPOSED REFERENCE OF CERTAIN ESTIMATES TO COMMITTEE—THIRD READING OF BILLS

Mr. L. S. R. MORIN (St. Hyacinthe-Rouville) presented the first report of the select standing committee on standing orders, as follows:

That the select standing committee on standing orders be instructed to consider the advisability of amending the standing orders so that certain estimates may be referred to a committee and so that bills, reported from a standing or select Committee shall be placed on the order paper for third reading after having been sufficiently debated by the house.

Your committee recommend that, during the present session, the house may refer any of the estimates to a standing or special committee, concurrently with the committee of supply, but that none of the estimates shall be concurred in by the house until reported by the committee of supply.

Your committee further recommend that, during the present session, when any bill, other than a government bill, reported from any standing or special committee, shall have been considered at two sittings and not disposed of, it shall be placed on the order paper for third reading; and when called in pursuance thereof, the question "That the bill be now read a third time" shall be put by Mr. Speaker and decided without debate or amendment.

DIVORCE COURT FOR ONTARIO

Mr. J. W. WOODSWORTH (Winnipeg North Centre) moved for leave to introduce Bill No. 38, to provide in the province of Ontario for the dissolution and annulment of marriage.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPORT OF LIQUOR TO UNITED STATES

Mr. BARBER:

1. Has the government acted upon the recommendation of the special committee, appointed to investigate the administration of the Department of Customs and Excise, as contained in their third and final report on June 18, 1926, as follows:—

"The committee further recommends that as soon as possible regulations be made to prohibit clearance being granted to vessels carrying liquor as cargo sailing from a Canadian port to a United States port; such regulations to make an exception in favour of liquor being imported into the United States in accordance with the laws of that country."

and also as contained in the report of the judicial committee presented on October 15, 1927, as follows:—

"We also express our entire concurrence in the recommendation of the special committee of the House of Commons, as contained in paragraph 10 of the committee's report. An effective method of carrying out the treaty (Canada and the United States) would be to prohibit clearance to vessels of all kinds carrying a cargo of liquor to the United States, contrary to the laws of that country"?

2. If so, what action has been taken?

3. If not, why?

Mr. EULER: Prior to June 18, 1926, there had been a communication from the United States Secretary of State, through the British ambassador suggesting the negotiation of a treaty supplementary to the treaty of the 6th of June, 1924, providing for the refusal of clearance to shipments of merchandise from a port of either country to a port of the other country if such shipments comprised articles prohibited or restricted importation in the country of destination. These proposals were followed in April and May, 1926 by requests for a statement of opinion on the part of the Canadian government and at the date of the report of the special committee of the House of Commons negotiations for a conference on the subject were still pending. The royal commission appointed later instituted enquiries in respect of the same subject and the Canadian government expressed its willingness to hold a conference with the United States' authorities as suggested, but felt that the conference should not take place until the report of the royal commission was available. A conference was finally arranged between the representatives of Canada and the United States on the 8th, 9th and 10th of January, 1929 and the report of that conference is now receiving consideration.

IMPORTATIONS OF ELECTRIC POWER

Mr. STEWART (Leeds):

1. Was any electric power imported into Canada from the United States of America during the year 1929?

2. If so, (a) by whom or what corporations; (b) at what points was such importation made; (c) was such power imported under license; (d) what other terms or conditions were applicable to such importation?

Mr. EULER:

1. Yes.

2. (a) It is contrary to the practice of the Department of National Revenue to give information which would disclose the business of an individual concern.

(b) Coaticook, St. Armand, St. John's, Emerson, Gretna, North Portal, Lethbridge, Niagara Falls, Sarnia.

(c) A license is not required for the importation of electric power.

(d) Importers are required to furnish monthly returns in terms of kilowatt hours covering the quantity and value of electrical energy imported.

LIMITATION OF NAVAL ARMAMENT

Mr. CHURCH:

1. Has any communication been received from the British government on the further question of naval plans and the curtailment of the same by Great Britain and the United States, or any communication from the government of the United Kingdom for a conference thereon, and when will it be held and where?

2. Has the attention of the government been called to such a declaration of policy as reported in daily press of February 18 and February 19 by Sir Esme Howard, British ambassador at Washington, that such a policy has been decided on by the British government and such action immediately contemplated in which the dominions are to participate?

3. Has any communication on this matter yet been received from the minister plenipotentiary and envoy extraordinary of Canada to the United States by Canada's official foreign office? If so, what was it and will all the papers be laid on the table of the house by the Department of External Affairs?

Mr. MACKENZIE KING:

1. It is understood that the question of naval relations is receiving the attention of the British government. No communication has been received indicating that it is proposing to summon a conference on disarmament.

2. No.

3. The Canadian minister at Washington has kept the government advised on such phases of this matter as were considered relevant. It is not proposed to table any papers.

LEAGUE OF NATIONS—COST

Mr. CHURCH:

1. What has been the annual cost, since its inception, of the League of Nations to Canada?

2. Who were the delegates from Canada for years 1927, 1928 and 1929?

3. What members of the government, or officials, or private citizens were appointed as representatives in any and every capacity, and what were the travelling expenses, hotel, and other expenditures of each delegate aforesaid?

4. How many sailed from: (a) American ports, and (b) Canadian ports on these journeys?

5. What has been the cost: (a) For capital, (b) for maintenance for the past ten years of (a) Canada house, London, England, (b) Canadian embassy at Washington since its inception?

[Mr. Euler.]

Mr. MACKENZIE KING:

1. 1919-20: $64.043.15; 1920-21: $219,071.81; 1921-22: $196,526.69; 1922-23: $210,531.83; 1923-24: $193,712.19; 1924-25: $180,252.49; 1925-26: $185,774.66; 1926-27: $181,119.54; 1927-28: $185.670.87; 1928-29: $191,865.86 to February 1, 1929.

2. 1926-27: Sir Herbert Ames, Sir George Foster, Hon. Philippe Roy, 7th assembly; 1927-28: Senator Dandurand, Hon. Charles Stewart, Hon. Philippe Roy, Dr. O. D. Skelton, 8th assembly; Senator Dandurand, 48th meeting of council; Senator Dandurand, 49th meeting of council; 1928-29: Hon. Philippe Roy, 50th meeting of council; Right Hon. W. L. Mackenzie King, 9th assembly, 51st and 52nd meeting of council; Senator Dandurand, Hon. C. A. Dunning, Hon. Philippe Roy, Dr. O. D. Skelton, 9th assembly; Senator Dandurand, 53rd meeting of council.

3. 1926-27: Sir George Foster, $3,577; Sir Herbert Ames, $1,040; Hon. Philippe Roy, $1,040; 1927-28: Senator Dandurand, $3,108, 8th assembly; Hon. Charles Stewart and staff, $6,002.50, 8th assembly; Hon. Philippe Roy, $624.73, 8th assembly; Dr. O. D. Skelton, $2,687.20, 8th assembly; Senator Dandurand, $2,121, 48th council; Senator Dandurand, $1,100, 49th council; 1928-29: Hon. Philippe Roy, $192.96, 50th council; Right Hon. W. L. Mackenzie King and staff, $5,968.25, 9th assembly, 51st and 52nd council; Senator Dandurand, $2,400, 9th assembly; Hon. C. A. Dunning and staff, $4,780.06, 9th assembly; Hon. Philippe Roy, $753.80, 9th assembly; Dr. Skelton, $1,679.50, 9th assembly; 1929: No meeting up to present.

4. No information.

5. Canada House, London, England

(a) For capital, Public Works reports, $1,540,781.56; (b) For maintenance Public Works reports, $151,380.86; External Affairs reports, $746,605.99.

Canadian Embassy at Washington

(a) For capital, Public Works reports, $477,754.35; (b) For maintenance, External Affairs reports, $225,502.59.

QUESTION PASSED AS ORDER FOR RETURN

REVALUATION OF SOLDIER LANDS

Mr. NEILL:

1. Number of applications received up to date for revaluation of lands held by soldier settlers under the provisions of the Soldier Settlement Land Act and its amendments: (a) total number; (b) by provinces.

2. In how many of these cases appraisal valuations have been made: (a) total number; (b) by provinces.

3. How many of these cases have been finally adjusted: (a) total number; (b) by provinces.

4. The average percentage of reduction made in such cases: (a) total percentage; (b) by provinces.

5. In how many cases notices of appeal to the Exchequer court have been given: (a) total number; (b) by provinces.

6. When it is expected that these cases will come before the Exchequer court.

SPECULATION IN SECURITIES

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I would like to ask the Minister of Finance (Mr. Robb) as to certain press items in connection with steps taken towards the curtailment of the use of vast sums of money in speculative operations, and especially having regard to the action taken by the federal reserve board in the United States.

Hon. J. A. ROBB (Minister of Finance): The Canadian Press and certain correspondents of newspapers inquired yesterday as to an item which appeared in the morning and afternoon papers, and the following reply was submitted.

Speculation, coupled with high interest rates which have prevailed in New York for some considerable time, has no doubt attracted Canadian money to that market, but there is nothing in the present situation to cause undue worry. The adverse rate against Canada on yesterday's exchange was decreased by 7/32 under the rate of 19/32 of the previous day.

The banks are cooperating with the government in limiting, as far as possible, gold shipments to the requirements of industrial and commercial business only rather than for speculation purposes.

CANADIAN NATIONAL RAILWAYS

VACANCY ON BOARD OF DIRECTORS

On the orders of the day:

Mr. ROBERT K. SMITH (Cumberland): I would like to ask the Minister of Railways (Mr. Dunning) if he could inform the house when the government intends to fill the vacancy in the directorate of the Canadian National Railways, caused through the resignation of Mr. H. J. Logan, and if, when such appointment is made, a man from Nova Scotia will be selected.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The whole matter is under consideration by the government.

REPORT FOR YEAR 1928

On the orders of the day:

Mr. BENNETT: I desire to ask the Minister of Railways when we may expect the report of the Canadian National Railways for the year 1928.

Mr. DUNNING: I was speaking to the president about this matter a few days ago and he told me that if it was ready for presentation by the 1st of April that would be an earlier date than it has ever been possible to present it in the past.

Mr. BENNETT: I think we had an interim report last year.

Mr. DUNNING: My hon. friend will remember that we tried the interim report method last year, but it created a certain amount of confusion. It is very questionable if the interim report method is worth the trouble it causes in view of the confusion which results. However, I can assure my hon. friend that every effort will be made to expedite the presentation of the report.

SASKATCHEWAN GRAIN INQUIRY COMMISSION

On the orders of the day:

Mr. JOHN MILLAR (Qu'Appelle): I would like to ask the Minister of Trade and Commerce (Mr. Malcolm) or, in his absence, the Prime Minister, if any information has been received from the Saskatchewan government relative to the time when a report may be expected from the Saskatchewan royal grain inquiry commission.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In the absence of the Minister of Trade and Commerce, I am sorry I cannot answer my hon. friend's question. However, I will direct the attention of the minister to it and ask him to reply at the next sitting.

HOG CHOLERA IN ESSEX COUNTY

On the orders of the day:

Mr. E. J. GOTT (South Essex): I would like to inquire from the Minister of Agriculture (Mr. Motherwell) if any provision is being made to reimburse the hog raisers of Essex county who suffered heavy losses in the recent epidemic of hog cholera.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Due to the heavy drains made upon it, the vote for that purpose has been exhausted, but as soon as it is replenished we will be very glad to consider this matter.

NATIONAL HIGHWAYS

PROPOSED FEDERAL GRANT IN AID OF CONSTRUCTION

The house resumed from Wednesday, February 20, consideration of the proposed motion of Mr. Kellner:

Whereas the need for establishment of national highways is greater than in 1919;

And whereas in that year the Dominion government recognized its responsibility in this matter by a substantial grant, which grant is now exhausted;

Therefore be it resolved that in the opinion of this house the government should consider the advisability that a further federal grant be made to cover the next five years' development of highway construction.

And on the proposed amendment thereto of Mr. Carmichael.

Mr. PETER McGIBBON (Muskoka-Ontario): When the house rose last evening at six o'clock I had just about concluded my remarks. I had dealt with several reasons why the house should support the motion of the member for Athabaska (Mr. Kellner), and I was referring particularly to some of the objections raised by the Minister of Railways (Mr. Dunning), who stated that different provinces throughout the Dominion were objecting to having grants made by this parliament, with strings attached to them. This objection would apply to the legislation of a year or so ago when the minister was so urgent in foisting upon the provinces the old age pensions.

When I turn to the estimates and see that $100,000 is being asked to maintain an embassy at Washington, $80,000 for one in Paris and $75,000 for one in Tokyo, I cannot see how this government can refuse to grant some aid to the different provinces of Canada to build roads. There must be members on the other side of the house who dare not go back to their constituencies and say that they did not support this resolution.

The Minister of Railways said that he was convinced this matter would be taken care of some time, but the time is not ripe just now. I wish to state again, on behalf of the people of the province of Ontario, from which I come, that I look to this government to do something to increase the happiness and prosperity of the people of Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): If the resolution which is before the house means nothing more than appears on its face, I see no reason why it should not be adopted unanimously. The resolution is worded as follows:

Whereas the need for establishment of national highways is greater than in 1919;

And whereas in that year the Dominion government recognized its responsibility in this matter by a substantial grant, which grant is now exhausted;

Therefore be it resolved that in the opinion of this house the government should consider the advisability that a further federal grant be made to cover the next five years' development of highway construction.

I assume that some hon. members will attach importance to the words "should consider." If that is all the resolution is intended to imply in the way of an obligation on the government, I would say the government is prepared to assume that obligation at once. I would go further and say that the government will not only assume at once the obligation to consider, but that the government has been considering this matter for some time, is considering it now, and will continue to consider it. But I submit, Mr. Speaker, as hon. gentlemen will be quick to recognize, that if the government were to take this resolution literally, as it appears on its face, and were to act only in accordance with such an interpretation, the next thing we should hear would be that we had deceived the house, that we had not been perfectly frank with the house, that the resolution did not mean what it appears to mean on its face, but that it meant that the government was to be committed definitely to grants for highways, whether provincial highways or a national transcontinental highway.

May I say in regard to the alternative interpretation, that if the purpose of the resolution is to commit the government to making immediate grants for provincial highways, or to commit the government to immediate grants to a national transcontinental highway, the government does not feel that at the present time it is in a position to make that commitment to parliament.

In order to appreciate the significance of this resolution, I think it should be taken into consideration along with other resolutions of a similar character which are being moved by hon. gentlemen on the other side of the house at the present time, and their cumulative effect considered in relation to the attitude being taken at the moment by hon. gentlemen opposite with respect to numerous other expenditures which they have been advocating or are about to advocate. Let me make clear what is quite obvious, namely, that up to the present time hon. gentlemen have been asking the government day after day to spend more money. That has been the nature of practically all the requests that have come to us thus far from the other side of the house. Up to the present moment we had not had from the other side of

the house a single voice raised with respect to retrenchment, a single voice raised with respect to keeping down the taxes, a single voice raised with respect to reducing the public debt. No. Hon. gentlemen have vied with each other in urging the government to take more money out of the federal treasury, not for purposes which we as a federal parliament are obliged first of all to consider, but to supplement the funds of the provincial governments.

I might ask hon. members, as federal members, if they have ever stopped to consider how much credit the federal government gets for its generosity from the provincial governments. I do not know whether all provincial governments keep their accounts in the same way, but I do know that some provincial governments, notwithstanding the substantial grants that have been made by this parliament in aid of matters which come primarily within provincial jurisdiction, have when it came to voting supply in their own legislatures, put in estimates for a certain amount of money and have voted those estimates as representing what the province itself was doing, but have not, in presenting their estimates, given this Dominion parliament the slightest credit for the subventions that we have been giving them in aid of particular undertakings. I have here the report of the public accounts committee of the province of Ontario for the twelve months ended October 31, 1927. We were discussing a day or two ago helping the province of Ontario and other provinces in the matter of further aid to technical education. How are these estimates re technical education presented to the legislature in Ontario? Under the head, "Department of Education," I find the following as the estimates:

Department of Education	Estimates
Salaries	$ 21,500
Manual training and household science department	64,000
Grant, Sudbury high school re mining education	7,000
Grants, Haileybury high school re mining education	7,000
Agricultural training, grants, etc.	35,000
Day and evening classes, grants, etc.	725,000
Travelling expenses	5,000
Technical education	$864,500

Of that amount the accounts show that $847,198 had been expended, but there is not one single word in the statement on estimates to indicate that of that amount this parliament was assisting the provincial government to the extent we have.

I hope hon. members, as federal members, will realize the obligation which I think they owe in the first instance to the parliament in which they are representatives, and their obligation in respect to what this parliament is doing in the spending of public moneys raised by federal taxation. I believe we should consider the cumulative effect of the resolutions and requests which are coming from hon. gentlemen opposite. The first request was for an increased grant for technical education. Next was a resolution by my hon. friend for Frontenac-Addington (Mr. Edwards) which proposed that we should look into the claims of the different provinces in connection with the transfer of their natural resources, with a view to a satisfactory and equitable adjustment.

Mr. RYCKMAN: That was carried.

Mr. MACKENZIE KING: Yes, but it is the same kind of appeal to which I am alluding, an appeal to help the provinces out of the federal treasury, to take money out of the federal treasury and hand it over to the provinces.

Mr. GARLAND (Bow River): Is it not equally true that the federal government, through the Prime Minister, had already indicated that the intentions of the federal government were exactly along those lines?

Mr. MACKENZIE KING: There is no debate as to that.

Mr. GARLAND (Bow River): So that resolution asks for no more than it was the intention of the federal government to give.

Mr. MACKENZIE KING: What I am saying is that I think this house would do well to consider the cumulative effect of the several resolutions if they are passed by this house.

Mr. EDWARDS (Frontenac): The right hon. gentleman cannot condemn me for that particular resolution because he voted for it himself.

Mr. MACKENZIE KING: I am not condemning anyone at all and least of all my hon. friend. All I am trying to make clear is this. The hon. gentleman has already brought in a resolution, which the house has accepted, which involves the payment out of the federal treasury to the provinces of additional large sums of money. That is one commitment. We have all conceded that, and we are going to carry it out. But that is only one commitment. If the hon. gentleman has his way, we will be committed again in regard to highways.

Mr. EDWARDS (Frontenac): I have not spoken on the resolution yet.

Mr. MACKENZIE KING: But unless my hon. friend takes a different line from that taken by his colleagues, he will join in the chorus of hon. gentlemen opposite.

Mr. KAISER: May I ask a question?

Mr. MACKENZIE KING: Yes, but I hope hon. gentlemen will let me make my few remarks in the spirit in which I let them make theirs.

Mr. KAISER: In the statement of receipts for the province of Ontario, do not the accounts show that the province got this money?

Mr. MACKENZIE KING: Well, I should hope they would. If it was not mentioned in the receipts, I do not know what would happen. But I will show my hon. friend what does happen with the money that goes from here. It does not go into a fund ear-marked for technical education, but into the consolidated fund of the province of Ontario.

Mr. CLARK: The reparations money went into the consolidated fund too.

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: On the order paper there are still other resolutions asking for further expenditures on the part of the federal government. I wonder if hon. gentlemen immediately opposite will support the resolution of the lady member for Southeast Grey (Miss Macphail). "That, in the opinion of this house, for every one hundred dollars spent for war one dollar should be spent to promote peace by setting up a chair of international relationships and by instituting international scholarships in each Canadian university." The war expenditures, I think, have come to about two billion dollars, so that one dollar for peace for every one hundred dollars spent for war would amount to several million dollars which if the resolution were carried out would have to be expended by the federal government in establishing chairs in Canadian universities.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: That is the wording. I am glad to see that my hon. friends are probably going to assist the hon. member for Southeast Grey in her resolution.

Mr. MANION: We will take it under our serious consideration.

Mr. MACKENZIE KING: Other resolutions are appearing on the order paper from day to day, if not recommending grants, at any rate recommending that the federal government should establish a system of credits or something involving Canada's credit for one purpose or other. If all these are taken together and if the government begins to accept them, I am afraid that after we have discharged our commitments and taken out of the federal treasury all these grants to further aid the provinces, there will be very little money left with which to discharge the obligations which the federal government itself is bound to undertake. It is very easy to speak as my hon. friend who sat down a few moments ago did, in referring to the expenditures which the government is obliged to make for legations. We are not asking the provinces to make any contribution towards these objects, because they are part of the obligation of the federal government. This parliament decided that there should be legations and, that being so, they must be maintained, and maintained out of the federal treasury. One could run on in a similar manner through the list of subjects on which we are expending money at the present time. It is easy to say that if money can be spent for one purpose that it can be spent for another. I could take the provincial list and run through the subjects for which the provinces vote money and I could find many quite as worthy as the construction of highways. What about the whole school system of the province? What about the development of the natural resources of the provinces? What about the agricultural work carried on by the provinces? Are these not worthy objects? It might be asked, why should they not in the first instance be supported out of the federal fund rather than highways? The minute one begins to run over the list, one sees, may I say it very goodnaturedly, that the attitude of hon. gentlemen supporting these grants appears to be that of wishing to make good fellows of themselves, pretty much at the expense of the public treasury, more particularly when they feel they are in the happy and secure position of not being obliged to defend their attitude or the treasury, and in the further position that if we should carry out their wishes, they can then turn round and attack us because of necessity we are obliged to tax the people a little more than we otherwise would be obliged to. We can do all these things if hon. gentlemen opposite wish them done and the rest of the house is prepared to agree with them. But we cannot do them and at the same time reduce taxation. We cannot do them and keep down expenditures, we cannot do them and proportionately reduce the public debt. If hon. gentlemen will realize the position they are taking, they will see it is simply this: they are asking the

government to undertake obligations which will mean increased taxation to the people of Canada, which will mean an increase of expenditures in relation to receipts and a possible return to the old system which prevailed prior to the time of the present administration assuming office, of deficits instead of surpluses in the year's balancing of the public accounts.

The hon. member for West Algoma (Mr. Simpson) made a specious sort of appeal yesterday. He said that the government of the day between 1919 and 1921 were able to give grants to highways, grants to technical education; that they were able to do this and to do that; and then asked, why the present administration could not do the same. I suppose we could if we wished to follow the methods of hon. gentlemen opposite, but how did they accomplish their ends? They made the appropriations they did and were able to make them by virtue of borrowing and by increasing the public debt and leaving it to their successors to pay off the debt and sundry other obligations by taxation which they would have had to raise, had it been their policy to avoid a further increase in the public debt.

Let me call to mind the old maxim that it is well to be just before we are generous, and see how far it has been followed by hon. gentlemen opposite. In the fiscal year ended 1919 there was an increase in the public debt of Canada of over $382,000,000.

Mr. BENNETT: That was direct payment for railways.

Mr. MACKENZIE KING: Not at all. It was made up of the general expenditures of hon. gentlemen opposite including these grants. There was this deficit in 1919 of over $382,000,000. In the next year there was not a direct payment for railways and yet in the fiscal year ending March 31, 1920, the public debt of Canada was further increased by over $674,000,000. That is the way in which the country was being governed while hon. gentlemen opposite were in office in 1919 and 1920.

Mr. BENNETT: That is the most unfair statement ever made in parliament by anybody, and it happens not to be correct.

Mr. MACKENZIE KING: It seems to have struck home because my hon. friend is concerned.

Mr. BENNETT: That was the demobilization vote of this house, for the returned soldiers.

Mr. MACKENZIE KING: It includes the moneys hon. gentlemen opposite appropriated for the purposes of which the hon. member for West Algoma spoke yesterday.

Mr. STEVENS: No.

Mr. MACKENZIE KING: Does it not include the moneys so appropriated?

Mr. BENNETT: It includes the demobilization vote.

Mr. MACKENZIE KING: And all the rest. My hon. friends opposite are like the ostrich with its head in the sand; they are deliberately deceiving themselves; they will not look at the facts. At the end of the fiscal year 1921 there was a deficit of $92,000,000. Let us take the next year. In 1922 when this government had been in office only a short time we had to face at the end of the fiscal year a deficit of $81,000,000, a further increase in the public debt. When we came into office, what was the first object we undertook to accomplish? I recall very well the Right Hon. Mr. Fielding, at that time Minister of Finance, telling parliament that unless we balanced the budget the country would get deeper and deeper into debt; that we were heading toward a state of national bankruptcy and that Canada's credit would be absolutely ruined throughout the world. Mr. Fielding took the position that the first thing to do was properly to balance the public accounts. There were two ways in which that could be done; one was to reduce expenditure and the other was for the time being to increase taxation, so that every year we would not be running more deeply into debt but would be placed in a position to pay off obligations which hon. gentlemen opposite had imposed upon us.

Mr. BENNETT: Due to the war.

Mr. MACKENZIE KING: Due to their methods of financing. We started to meet these obligations, with what result? We reduced expenditures and imposed some increased taxation for the purpose, mark you, of meeting obligations which were left to us by the previous administration. At first about all that we were able to do was to hold the deficit at the point at which it had been the year before. The deficit instead of being $92,000,000 was brought down to $81,000,000 in 1922. In the following year—that is, the fiscal year ended March 31, 1923—by pursuing the policy which we had adopted we reduced the deficit to $31,000,000. From that time on instead of deficits we have had sur-

pluses and as we have had surpluses we have steadily reduced the taxes of the people. What are the figures from that time on? They are as follows:

Fiscal year ended	Surplus
1924	$35,000,000
1925	345,000
1926	27,000,000
1927	41,000,000
1928	50,000,000

This year I hope we shall have a surplus even greater than that of last year.

Mr. BENNETT: That is the reason we want money for roads.

Mr. MACKENZIE KING: Now my hon. friend comes to the point. He says "That is the reason we want money for roads."

Mr. BENNETT: That is surplus.

Mr. MACKENZIE KING: What about reducing taxation? What about paying off the public debt? Are we instead to begin increasing taxation? My hon. friend's words will come back upon him as soon as we come to the budget.

Mr. BENNETT: Not a bit.

Mr. MACKENZIE KING: We shall find my hon. friend at that time asking that we still further reduce taxation.

Mr. BENNETT: It is better to spend the money on roads than to waste the public money in public parks at Ottawa and other places.

Mr. MACKENZIE KING: We will find hon. gentlemen opposite asking that there should be more in the way of a reduction of taxation.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: If you are to reduce taxation, how are you going to carry on the obligations of the government and supplement them with these grants to the different provincial governments for provincial purposes?

Mr. BENNETT: Practice economy. Cut down the estimates.

Mr. MACKENZIE KING: I think hon. gentlemen opposite see pretty clearly the position in which they have placed themselves as a result of the attitude which they have taken on these expenditures. The government's desire in this matter is not in any particular to refrain from assisting every worthy object that can be assisted, but rather to recognize in the first place what our immediate obligation is, to carry on the policy which we have adopted, and which we believe will appeal more to the people of Canada than grants to provincial governments, a policy of having surpluses every year, and every year a still further reduction in taxation.

The hon. member for Kindersley (Mr. Carmichael) suggested that we should have a national highway. The first suggestion was that we should make grants toward provincial highways, and then my hon. friend, not having much responsibility in the matter, goes a step further and suggests a national highway. If the debate runs on very much longer some hon. gentleman opposite will be suggesting an empire highway. Why, it will be asked, should we not link up the different parts of the empire with a highway? Let the motorists from Canada visit Australia and those from South Africa come to Canada, and—

Mr. CHAPLIN: The Minister of Agriculture (Mr. Motherwell) sent his ten thousand dollar car over to Europe.

Mr. MACKENZIE KING: I assume the Minister of Agriculture was seeking to practise the economy which my friends opposite advocate.

Where are we to end if that is to be the policy? But let us stop at the point proposed by my hon. friend from Kindersley—a national transcontinental highway. Has he any idea what such a highway would cost this country at the present time? In the first place, to be of any use it will have to be a hard-surface highway; it will have to be kept suitable for motoring in winter as well as in summer; it will have to traverse parts of this country through which, up to the present time, there has been considerable difficulty in constructing roads; it will have to be linked up by means of bridges. I am advised by expert opinion in the Department of Railways and Canals that the least amount for which we could expect to accomplish the end my hon. friend has in view is an expenditure of $200,000,000.

Mr. STEVENS: Oh, no, no.

Mr. MACKENZIE KING: Two hundred million dollars is the estimated cost of a hard-surfaced national transcontinental highway.

Mr. SPENCE: Half of that is built now.

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: I want hon. gentlemen to see what they are asking the treasury to do. That is the amount at an estimated cost of $50,000 a mile. Possibly

there should be deducted from the total something for provincial highways that are already serving the purpose in part. A highway of this character, to be of any real service, would have to touch the main cities of the provinces through which it passed; nothing less would satisfy them, and that would mean a highway at least four thousand miles in length. I repeat, what my hon. friend is asking is that the government shall now say it is prepared to make grants to the provinces, or undertake the work immediately themselves if you wish, involving an expenditure of $200,000,000. But that outlay does not include maintenance; once the highway is constructed we will be expected to keep it in repair and in condition for use in winter as well as in summer. These are considerations of which the government has to take account, and I say to hon. gentlemen opposite, if we cannot support the resolution it is because we cannot honestly say to the country that we think this is an expenditure which the Dominion would be justified in making at this time. Undoubtedly a national transcontinental highway will come in time. It is coming by degrees already; the provinces are doing considerable work in developing highways within their own jurisdiction, and there is no reason to doubt that the time will come when from coast to coast there will extend a highway to serve the purposes that hon. gentlemen hope it will serve. But at the present moment we do not feel justified in leading the house or the country to believe that we are about to embark on a motor highway involving such an expenditure as I have just mentioned.

So far as the provinces are concerned, I submit that the federal government has been pretty generous in its treatment of them. To-day we are exacting much more in the way of taxation than are the provinces combined. Why should we obligate ourselves still further to increase federal taxation, while the taxation being levied by the provinces—who, after all, we are told, are going to profit most by this project—is to be left at its present rate. If the provinces wish to undertake the work—and highways come within their particular jurisdiction—they are the bodies which should increase their taxation for this purpose.

May I ask hon. members this question? Do they think the provinces would be prepared to contribute to the federal treasury for any purpose whatever? Hon. gentlemen have been saying a great deal as to what a highway will do to unite the country, how it will serve those who reside in the remote parts of the Dominion. Unquestionably such a highway will be a help to some people along its route; but a service that will be much more effective in providing better communication for people who need it most is the air mail service. It will serve infinitely better to link up the whole Dominion and to meet the needs of our people on the prairies and in remote districts indeed in all parts of Canada. I venture to say that if we have two hundred million dollars available for immediate expenditure, we can spend it to much greater advantage, so far as the whole of Canada is concerned, by developing air services that will carry the mails rapidly from one part of the country to another, than by constructing a single motor highway across the country.

And I venture to think that hon. gentlemen will agree that if we are to extend our trade we shall have to increase our trade commissioner service throughout the world. Will the provinces aid us, will they contribute something towards placing trade commissioners in all parts of the world, and towards the expense of collecting information on trade and markets which will be of service to the Dominion, yes, but of very special service to every province as well?

I think the house needs to appreciate that in the wisdom of those who were responsible for shaping our constitution, certain obligations were placed definitely upon the federal treasury, and certain upon the provincial treasuries. The first duty of the Dominion is to meet the obligations which were thus placed upon it, and which will not be contributed to by the provinces.

This aid-to-highways project was started, as has been said, at a moment when the country was facing a quite exceptional condition. Our soldiers were beginning to return from overseas, and were about to be reestablished in civil life. It was recognized that as the war veterans came home it would not be possible quickly to reinstate them in their different business pursuits and avocations, and that for many something in the way of temporary employment would have to be provided, that otherwise there would be following upon their services overseas a large number of unemployed because sufficient work was not available to absorb the large number of men who were returning home. The Minister of Railways and Canals of that day, the Hon. Doctor Reid, made this very plain when he asked parliament to vote an amount towards highway construction. In the House of Commons debates for 1919, at page 3899, Doctor Reid is reported as follows:

As I said when introducing this bill, these highways will also provide employment for the

returned soldiers. Perhaps at the present time there may not be so great a demand for employment by the returned soldiers; they perhaps do not wish to go into employment immediately upon their return home; but the time is coming when employment will have to be provided, and I think it is the duty of the government to provide employment in the way of good roads and other works of benefit to the country.

Undoubtedly the contributions did help in that way. But the government did not stop at that point in assisting the provinces to meet that exceptional condition. The government came along with grants in aid of unemployment. Despite this particular work on highways there was a great deal of unemployment, and the federal treasury was asked to contribute to the provinces and to the municipalities in the form of unemployment relief. About all the thanks the federal treasury received was that when several millions of dollars had been contributed, the provinces turned around and said: but you have assumed this obligation, you must go on and assume it for all time to come. In addition we have had as a consequence the view expressed from the other side of the house that it is the business of the federal government to look after unemployment. As the federal government moves into the provincial field now here and now there, it simply serves to encourage the provinces to look to the Dominion to carry out their own immediate obligations. From 1920 to 1927 this government paid a total of $1,865,880 in unemployment relief in the various provinces—unemployment relief alone. And what have we done in assisting the provinces in other directions? In agricultural instruction, between 1912 and 1924, under the act that was passed to supplement the work of the provinces, we spent $11,399,882. On technical education we have spent up to the present time 7,396,888, and we are proposing by the bill which is now before the house to contribute another $2,500,000. Under the Highways Act—the measure which is being referred to at the present moment—we have given the provinces $18,775,604. Grants to municipalities in relation to unemployment I have already given. To supplement the propaganda of the provinces in regard to venereal diseases we paid out between 1918 and 1927, $1,148,237. In respect to unemployment offices which are being carried on by the provinces we spent, between 1918 and 1927, by way of supplementing their revenues from the federal treasury, $1,635,816. In other words, for the periods I have indicated, we have given to the provinces from the federal treasury under these few heads, not to mention others, a sum in excess of $42,000,000 to assist them in carrying on work which is their primary obligation. And in addition thereto we have been increasing the annual subsidies to the provinces. We are at this moment carrying on an inquiry in one province, and conducting negotiations with others, which may lead to a further increase in the subsidies which we are granting and which the provinces are free to use for any purposes they like. To the maritime provinces, until we finally settle their claims, we have added within the last year or two annual amounts as follows: to Nova Scotia, $875,000, to New Brunswick, $600,000, and to Prince Edward Island, $125,000.

May I direct attention to this further fact which bears immediately upon the grants from the federal treasury to the provinces. I believe that everyone who has given any attention to public finance will agree that it is a thoroughly vicious system to have one body raise taxes and another body expend the money thus secured. In other words, give to the provinces these grants from the federal treasury, without their being obliged to raise the money themselves by taxation, and you will not get, with respect to expenditure, that careful supervision which would be exercised if the provinces themselves were obliged to raise the money in the first instance. It is a bad system, a thoroughly vicious system, and that is the reason why the present administration has been seeking to put an end to a system that grew up at a time when the country was in the throes of war or had to meet a post-war situation—a system which, had it been permitted to develop, would have become thoroughly destructive of anything in the shape of economy with respect to the expenditure of the people's money.

Mr. LADNER: What about old age pensions.

Mr. MACKENZIE KING: I am glad my hon. friend speaks of that. There is another case where we are giving to the provinces a lot of money in addition to what they are raising.

Mr. LADNER: Is that vicious?

Mr. BENNETT: A thoroughly vicious principle?

Mr. MACKENZIE KING: I think it is, yes; I have come to the conclusion that it is a thoroughly vicious principle.

Mr. LADNER: Why doesn't the government provide for old age pensions itself instead of shifting it to the provinces?

Mr. MACKENZIE KING: It is the province's obligation, and so far as this government is concerned we have sought to safe-

guard the public treasury to the extent at least of one half of the required expenditure whereas hon. gentlemen opposite claimed they were prepared to duplicate what we are doing by assuming the entire obligation. What has been already paid in old age pensions in the province from which my hon. friend comes? We have given to the province of British Columbia $423,105.84; to the province of Manitoba $122,332.42; and to the province of Saskatchewan $76,417.62; or a total to these three provinces, thus far, of $621,855.88. I assume that most hon. members here will live to see the day when every province in the Dominion will have an old age pensions system, and when that day comes the tax upon the federal treasury, to meet the obligation parliament has assumed, will be a much vaster sum than I have indicated. Indeed, I am told that it is estimated at an annual payment of some $12,000,000. When, therefore, we have undertaken to assist the provinces in the matter of old age pensions to the extent of $12,000,000, we can afford I think to let them in the meantime look after highways, which is their immediate obligation.

Let me come to another phase of the question. The provinces, so far as their expenditures are concerned, have been in no way affected by the very exceptional obligations which have been imposed upon the federal treasury—obligations that have grown out of the war. I challenge hon. gentlemen to point to any appreciable expenditure which the provinces have to meet to-day as a consequence of the war. The provinces have been left clear of all obligations in that direction. The Dominion has assumed a very liberal interpretation of its duty with respect to war expenditures. It has not taken, as some have contended it might have taken, the narrow view that while, with respect to defence, we were obliged to meet the actual cost of war during the progress of war, such matters as unemployment resulting from the war, disablements, pensions, and so forth, did not constitute a federal obligation. We have never taken that attitude; we have assumed the whole responsibility. And what has that responsibility involved in the way of expenditures? To mention only the present annual expenditure attributable to the war, first of all the interest on public debt—the increase in interest, not the total interest on public debt; the annual expenditure for which the Dominion has obligated itself—is over $116,000,000. War pensions amount to $38,000,000; soldiers' civil re-establishment, $6,000,000—I am speaking now of annual expenditures which we have to face; soldiers' land settlement administration, $1,000,000; Imperial War Graves Commission, $573,000; battlefields memorials, $183,000; adjustment of war claims, $1,656,000—or a total annual additional charge on the treasury, with respect to these obligations which we have assumed and to which the provinces have not contributed in the least particular, of $165,000,000. In the year 1928 over 45½ cents out of every dollar expended by the government was attributable to the war.

Mr. RYCKMAN: Should not a nation meet a nation's war expenditures?

Mr. MACKENZIE KING: I am not questioning that at all. What I am trying to bring out is this—and I think my hon. friend will appreciate it if he will only follow me. The provinces are a part of the nation; no one can contend otherwise; yet the provinces have not contributed a five cent piece towards expenditures to which I have referred.

Mr. LADNER: Will the Prime Minister allow me?

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: I have been fair to my hon. friend.

Mr. LADNER: The provinces have contributed.

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: Hon. gentlemen opposite have been speaking about the laudable nature of highways, the useful purpose they serve, and so on. I should like to know whether there is a more laudable or worthy object than the one which I have just been discussing. But you do not find advocates in the provincial legislatures suggesting that because the recognition of war service is a laudable object their treasuries should be charged with the expenditures which are undertaken by the Dominion government.

Charity begins at home, and the provinces have followed that maxim pretty closely; they have looked after themselves. I challenge anyone to point to a single instance in which they have made any contribution whatever towards any object of federal expenditure. I might go a little further and say that the provinces are well able to do a little more, in regard to some of these things, than they have done. Since these grants were made in the first instance many of the provinces have discovered new means of raising revenue. I shall not mention all the provinces, but I might refer to the two which have received the largest share of federal assistance by reason of the fact that they are the largest provinces.

Since this system of making grants from the federal treasury to the provinces was started the provinces of Ontario and Quebec have taken over complete control of the liquor traffic and have made profits from the sale of liquor. The net profit of the province of Ontario for the last fiscal year was over $7,000,000; the net profit of the province of Quebec was over $6,000,000 and to this sum may be added a further amount of $1,451,000 from permits and seizures. If these provinces are adding to their revenues about $7,000,000 a year from the sale of liquor surely they can be expected to use at least a part of this for these highways which are so beneficial to the people. I ask my hon. friends as members of the federal parliament to apply to the provinces the arguments they have been applying to the Dominion, and to remember that their first duty is to safeguard the public treasury of this country.

Hon. R. B. BENNETT (Leader of the opposition): Mr. Speaker, there is a resolution before the house dealing with the question of the construction of a national highway, and the Prime Minister has given what in his opinion were very cogent reasons why the necessary expenditures should not be incurred or the highway built. If he had confined himself to a discussion of the matter having regard to the facts I should not have risen, but I am compelled to do so in consideration of the very paltry reasons he has advanced as to why this should not be done. I use the word "paltry" in its correct and true sense, and when I consider these reasons in detail I think they are somewhat unworthy of a Prime Minister.

My right hon. friend commenced with the statement that there was no advertising to be gained by giving money to the provinces. Stripped down to essentials, that is what he meant.

Mr. MACKENZIE KING: I was not speaking of advertising; my hon. friend has his mind on the wrong topic.

Mr. BENNETT: All I can say is that the Prime Minister contended that credit was not given by the provinces for the money granted by this government for technical education. On turning to the public accounts of the province of Ontario for 1926, from which I gathered my hon. friend was quoting, at page 16, statement 6, I find the following:

> Department of Education; revenue for fiscal year 1926. Ordinary; main office; federal subvention for promotion of technical education, $340,915.56.

[Mr. Mackenzie King.]

The right hon. gentleman seemed to be greatly annoyed because, where there was a mention of this expenditure, there was not placed underneath it a little note reading, "Donated by Mackenzie King".

Mr. MACKENZIE KING: Will my hon. friend be kind enough to read to the house from the public accounts before him the form in which the estimates are put before the provincial legislature?

Mr. BENNETT: I was reading from page 16, statement 6, of the public accounts of Ontario, where I find the following:

> Department of Education; Revenue for fiscal year 1926: Federal subvention for promotion of technical education, $340,915.56.

That is what I find there, and when he says the government fails to discharge its obligations with respect to national highways because there is not sufficient advertising of the generosity of the parliament of Canada, it does violence to one's understanding of just what may be a sound reason.

Now let me go a step further. The constitution of this country makes provision as to how money is to be raised by taxation. Subsection 3 of section 91 provides that the Dominion parliament may raise money by any mode or system of taxation, but section 92 of the British North America Act provides that the provincial legislatures may raise their money by direct taxation within the province, for provincial purposes. In other words, a limitation is imposed upon the rights of provincial legislatures to impose taxes whereas the parliament of Canada, representing all the people and all the provinces, may raise money by any mode or system of taxation. What is to be done with the money thus raised by any mode or system of taxation is wholly within the power of this parliament to determine, and the question which must be considered by every government is how pressing are the necessities that warrant the appropriation of moneys thus raised to what the Prime Minister has called provincial objects. But, sir, he overlooks the one great fact that the same citizens pay the taxes. That is the essential thing which has been overlooked; whether you consider them as residents of a province or as residents of the Dominion the fact is that the citizens of Canada pay taxes both to the provincial and the federal treasury, and because under our constitution the Dominion may raise money by any mode or system of taxation it has the increased obligation to see to it that in the distribution of these moneys there are those compensating adjustments which place the provinces on a parity with respect to the development of the na-

tional policies of Canada. The Duncan report is based upon the great principle that the application of great national policies to this country has not brought equal benefit to every section of it, and therefore there must be compensating adjustments from the federal treasury to the end that every province may receive those benefits which it is intended they should have received by reason of being part of our federal union.

So much for the argument with respect to the lack of publicity or the lack of recognition of high merit on the part of this parliament in voting money to the province of Ontario for technical education. There was a statement, however, which must not be permitted to go unchallenged at this time. The Prime Minister read from the public accounts of this country, but surely he did not intend to leave the impression his remarks would leave upon parliament and the country if they were not contradicted. There are two divisions of the revenues of Canada; the consolidated fund is that fund into which all the ordinary taxes of this country are paid whether they be derived from customs and excise or from direct taxation. Into that fund is paid nearly all the moneys of this country, but when the Minister of Finance paid into it the reparations money paid by Germany to discharge the obligations of that country to our private citizens, in my judgment he did what was wholly erroneous and totally wrong. I make that remark in passing because it was a wrong act on his part to take the reparations money which, under a treaty, was available for the purpose of discharging the obligations to private citizens, put it in the consolidated fund and then go about the country saying how much he had reduced the debt of Canada by depriving people of the money to which they were entitled.

Now let us look at the consolidated fund of this country, and I would like the Prime Minister and those who sit around him to understand that when he made his observations as to the conduct of the finances of Canada during the year 1919 and later, he should have turned to page 45 of the public accounts. There he will find that in every year he mentioned there was a surplus in the consolidated fund of this country. Then what did he mean by talking about deficits? What did the Minister of Railways mean by his remarks about deficits? In 1915 there was a deficit in consolidated account of $2,449,724.81, but listen to these figures as to surpluses in the years following, showing the excess of revenues over expenditures in the transaction of the ordinary business of Canada. I find that in 1916 the surplus was $41,797,111.37; in 1917 it was $84,101,950.77; in 1918 it was $82,494,639.72 and in 1919, the year with which the right hon. gentleman commenced, the surplus was $80,215,464.20. In the succeeding year the surplus was $45,902,404.80; in 1921 it was $73,268,391.39; in 1922 it was $34,391,696.36; in 1923 it was $62,321,167.91; in 1924 it was $72,024,492.47; in 1925 it was $27,942,578; in 1926 it was $60,085,026.44; in 1927 it was $79,147,603.79, and in 1928 it amounted to $86,550,021.70. This represents the excess of the revenues paid into the consolidated revenue fund of this country over the ordinary expenditures of the Dominion of Canada.

Then I turn to page 44 of the public accounts and ask myself the single question: How does the Auditor General and how does the Department of Finance say that the deficits referred to by my hon. friend were made up? At every convenient season it is the practice of hon. gentlemen opposite, from their Prime Minister down, to talk about deficits, and then when they are faced with the fact that these sums were incurred in the Great war, they offer apologies or reasons why they should not have been incurred at all, as though the war was something we should not have participated in. That is the position they take.

Some hon. MEMBERS: No, no.

Mr. BENNETT: If they will turn to page 44 of the public accounts of this country, they will find the following expenditures under the heading of war and demobilization:

1915	$ 60,750,476 01
1916	166,197,755 47
1917	306,488,814 63
1918	343,836,801 98
1919	446,518,439 48
1920	346,612,954 56
1921	16,997,543 99
1922	1,544,249 66
1923	4,464,759 76
1924	446,082 79
1925	506,931 27
1926	191,392 79
1927	64,485 08
1928	1,656,011 00

Is it any wonder there was a surplus in the total operations of the country in the years when nothing was spent for war and demobilization as against the time when over $400,000,00 was expended? It does seem incredible that the Prime Minister should stand in his place in parliament and endeavour to leave the impression upon the public mind that the affairs of this country were so managed by his predecessors that these deficits occurred, and not take notice of the fact that

these moneys were spent to compensate in some small way those who had rendered themselves incapable of making a livelihood; spent for war and demobilization.

When the hon. gentleman referred to the fact that no moneys had been paid out with respect to the railways, I turned to page 44 of the public accounts brought down by the Minister of Finance, and found the following amounts paid out for railway subsidies:

1918..	$720,404 75
1919..	43,805 32
1920..	334,845 55

The sums charged in connection with Canadian National undertakings on land and sea were absorbed at that time as a part of the increased national debt of Canada, instead of the guarantee of this Dominion being put upon the securities of the railway. The hon. Minister of Finance, in the statements he has submitted to parliament year after year has referred to the fact that $30,000,000, $40,000,000, $60,000,000 or $100,000,000 has been raised by the Canadian National Railways under his regime, but with the endorsement of the Dominion of Canada upon the back of the notes. During some of the years I referred to, the money was raised by the country itself and expended by the railroads.

It does seem to me, when a discussion of this character comes up, as to whether or not money can be found to provide for a trunk highway, we should not have to listen to dissertations upon the public accounts of this country, when such dissertations are wholly beside the question and leave out the great expenditures made for war and demobilization and railway subsidies. The fact is that the accounts of his own Minister of Finance, from which he quoted, show that in every year there was a surplus upon the consolidated accounts. In other words, the expenditures for the carrying on of the ordinary business of this country show that in every year that business was so carefully conducted and so economically conducted that there was a large surplus of ordinary revenue in the consolidated fund over the ordinary expenditures of the country.

Mr. MACKENZIE KING: Will my hon. friend say that after the war expenditures had been deducted, the expenditures during the period to which he has just referred were not greater than the receipts?

Mr. BENNETT: I will say that when the capital expenditures mentioned in the accounts presented by the Minister of Finance are divided between ordinary and capital expenditures, in every year to which he has made reference the government of his predecessors showed a substantial surplus in the consolidated accounts.

Mr. DUNNING: Have they included borrowed money?

Mr. BENNETT: The statement shows receipts and expenditures outside of capital altogether.

It seems to me that the proper place for a discussion of this kind is in the committee on ways and means, but I could not permit the report of the Minister of Finance to be partially read from and leave the impression upon this country that the business had been so recklessly conducted that there was a deficit of between three and four hundred million dollars, when that money was being utilized for war and demobilization purposes. That is the position I desire to make perfectly clear to this house and to this country.

Let us analyze for a moment the other reasons that are given. The right hon. gentleman has seen fit to give a long statement as to the millions of money expended by the Dominion in the way of gifts to the provinces. He did not point out that under our federal union the fields of taxation between the Dominion and the provinces are sharply divided. The provinces are entitled to use direct taxation only in order to raise revenue while the Dominion can raise money by both direct and indirect taxation. Since I went to live in western Canada I have realized, and I think every hon. gentleman from that part of the country has also, that the federal government is in a very happy position in being able to raise such large amounts of money through the customs duties. These duties amounted to $152,509,000 for the ten months ending January 31, 1929, an increase of $24,000,000 over the preceding ten months. During the same period the excise duties increased $6,000,000. The provinces cannot raise money by this indirect form of taxation, and this is the form of taxation which brings in the largest revenue. The western provinces in which road building is most difficult have made as large a per capita contribution to these revenues as any other part of Canada, and they are entitled to ask this parliament for those compensating adjustments which will enable them to supplement the revenues they must raise by direct taxation by grants from the federal treasury.

One other objection was raised to the national highway when it was said it would cost so much money to build. The real truth is that the highway is within six hundred miles

of completion. If this six hundred miles were constructed, added to what has been done in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the maritimes, it would complete a national highway system in this country.

Mr. DUNNING: A hard surfaced highway system?

Mr. BENNETT: I said a national highway system.

Mr. DUNNING: What is a national highway?

Mr. BENNETT: A national highway is one on which all persons may travel without charge; the king's highway.

Mr. DUNNING: And what is a provincial highway?

Mr. BENNETT: A provincial highway is a highway wholly within a province. A national highway, as the term is used here, means a highway not bounded by provincial boundaries; it must link up all interprovincial roads so that there may be an all-Canadian highway from the Atlantic to the Pacific.

Mr. DUNNING: Would my hon. friend limit the meaning of this resolution to closing, with federal assistance, the 600 mile gap he mentions?

Mr. BENNETT: My hon. friend must have observed that I did not say "six hundred mile gap"; I said "six hundred miles to complete the highway." It is not a continuous gap of 600 miles.

Mr. DUNNING: Quite right.

Mr. BENNETT: My hon. friend has asked me my understanding of the resolution. It is that this money which is asked for from the federal treasury is not in any sense to be used, as I said when the main motion was before the house, for little ten-mile highways in provinces, but for those interprovincial and international highways that enable travel to pass from one province to another. I cannot say exactly where the gaps all are, and I am only giving the house the benefit of information I sought and which may or may not be absolutely accurate. I am told by engineers that 600 miles of new road, added to what we have, would give us a Canadian highway.

Mr. DUNNING: My hon. friend will understand that that is not answering my question whether he would limit this assistance from the federal treasury to that gap or those gaps. The distinction is a very important one.

Mr. BENNETT: As regards that, I could not undertake, without having before me maps and matters of that kind, to speak with any measure of authority, but the amendment is that the money granted by the federal treasury should be utilized solely for the purpose of the construction of a national highway defined as I have indicated.

Mr. DUNNING: The hon. member has not defined it.

Mr. BENNETT: I have defined a national highway as a highway which connects with the highways of provinces so as to make a continuous national road on which traffic can be handled from one end of the country to the other. When the right hon. gentleman gave these evidences of what he calls the generosity of the federal treasury, he used a term which, I venture to say, if he had used it in the house when one of the measures that he mentioned was under consideration, would have ensured its defeat. He said that it was "a thoroughly vicious principle" for the government to appropriate money to provinces for their expenditure when they had nothing to do with raising it. I put to the House of Commons this question. If that statement was sound, would the old age pensions bill ever have passed this house?

Mr. MACKENZIE KING: I have come to that conclusion since.

Mr. BENNETT: In these days of peace the Prime Minister will remember the old hymn that we used to sing in our younger days:

> While the lamp holds out to burn
> The vilest sinner may return.

I am quite certain, if my right hon. friend has arrived at that conclusion after mature consideration, it is because he realizes it is one more evidence of the general policy of the Liberal party to experiment with those things which no one should experiment with and to create conditions which cannot be changed after they are created. Now that he has changed his mind, he will appreciate what was said by a very great poet:

> Not heaven itself upon the past has power;
> But what has been, has been.

In the light of that we have in the house this afternoon one of the most striking illustrations of the general tendency of the party opposite that I have ever seen. Here is a prime minister who a very short while after he urged parliament to accept a measure and defended it with all the power at his command, now tells us that it represents a thoroughly vicious principle.

Mr. MACKENZIE KING: Let me make myself perfectly clear with respect to that. I did not say that the principle of the old age pensions is vicious; I say that the principle of giving money from one treasury to another is, having one authority raise the money by taxation, and the other permitted to spend without the obligation of taxation, and it was the conference with the provincial premiers that helped to convince me on that point, particularly what the provincial premiers themselves said.

Mr. BENNETT: I am glad the Premier of Ontario has had at least one good effect upon the Prime Minister by having a conference with him, because the Prime Minister has seen the error of his ways after coming into contact with Conservatives at the Dominion-provincial conference.

Mr. VENIOT: Oh, oh.

Mr. BENNETT: My hon. friend the Postmaster General (Mr. Veniot) was the one who told the federal government that a moral responsibility attached to it to finish the work begun in 1919. It is perfectly clear that the Prime Minister, having in his own cabinet one of the horrible offenders, speaks feelingly in relation to the result of the policy on which he entered. There were those of us in the house who ventured to point out that the principle was unsound, because it was not based upon contributions being made. I happen to know the Prime Minister in days gone by asserted that the contributory system was a sound system, as he did on that evening after the motion had been made; but that does not get away from the fact that it is rather difficult to suggest that the other provinces should now adopt something that the Prime Minister of our country, the chief of our government, says is a thoroughly vicious principle. It is the first time I have ever heard a prime minister commend to the people of the country a thoroughly vicious principle and it is not quite in accord with those high ideals that usually attach to the utterances of prime ministers with respect to their commendations to the people of the country. I cannot let this pass without making the observation that we on this side of the house contend that, by the application of ordinary business acumen to the estimates of the country and the practice of that measure of economy that would be practised by men in their ordinary business, sufficient money could be saved to enable both technical education and roads to be taken care of. That is our position and I delight to hear those who sit in high places talk about reduced taxation especially to their free trade supporters from Saskatchewan, when they collected $152,000,000 out of their pockets by customs taxes in ten months, the highest ever taken in the history of the country. It is such a high sounding platitudinous observation to make that I realize now just why it meets with such stormy applause from those who sit behind the Prime Minister. But I was so vastly interested in our empire highway. On sea and land we are now to have established, as the right hon. gentleman says, a system of imperial highways.

Mr. MACKENZIE KING: I did not say that.

Mr. BENNETT: To link up the empire.

Mr. MACKENZIE KING: No. I said that if we did not reach a vote soon that would be proposed next.

Mr. BENNETT: I fancy my right hon. friend spoke so feelingly because it was another of his colleagues who blazed the pathway to imperial unity of that kind, for I know this summer his distinguished colleague, who did not regard the moral obligation urged by the Postmaster General when he was premier of a province as being so great as to deter him from endeavouring to embark upon a career of great economy, accompanied by a chauffeur and a splendid car, delighted the capitals of Europe with the spectacle of a Canadian, not only occupied with great official duties, but in a Canadian car bearing a Canadian official license number with an official chauffeur, blazing the way to imperial unity.

Mr. MOTHERWELL: What has my hon. friend got to say about it?

Mr. BENNETT: I can fancy that when the matter was suggested in the cabinet, with the same jaunty air that always characterizes his utterances the hon. gentleman said: "What have you got to say about it?" and I feel quite certain that his attitude to the Canadian taxpayer who has to furnish the money to provide for these expenditures, is: "What have you to say about it?"

Mr. MOTHERWELL: My hon. friend will have an opportunity of bringing the matter up on my estimates, if he wants to do so.

Mr. BENNETT: My hon. friend asked me what I had to say about it, and I was just giving him an answer to his question. It is so delightful to find the state of mind that was once said to have been reflected in the utterances of a Vanderbilt, who, when the people complained of his tolls on the New York Central, which was the only road in

that community, replied, "the public be damned," and the Minister of Agriculture says, "Well, what have you got to say about it?"

The position of the opposition on this matter is very simple. We say that when a country raises over $400,000,000 per annum, the largest sum that was ever raised in the history of this country, a finance minister who has a desire for economy, and a prime minister surrounded by those who desire to assist the public service—I am not going to traverse that now, for I can only speak with respect to the amendment—should be able to find a sufficient sum of money to complete a national highway in this Dominion extending from the Atlantic to the Pacific, linking up the provinces, and supplying means and facilities whereby communication may be readily maintained between the various peoples of this Dominion.

Hon. P. J. VENIOT (Postmaster General): I did not intend to take any part in this debate, but certain references have been made to my attitude in regard to federal grants when I was Premier of New Brunswick and at the same time president of the Good Roads Association of Canada.

I have listened with a good deal of attention to the discussion which has taken place on this resolution, but when I look at this resolution, what do I find? I find in the first place that it is not a statement of fact. If you will read the resolution you will see what I mean. It says:

Whereas the need for establishment of national highways is greater than in 1919—

Now the principle of a national highway was never laid down in the act of 1919—never. If you will read the speeches of the then Minister of Railways, Hon. Mr. Reid, you will find that he defined the purposes for which this money was to be expended, and in no case did he refer to national highways. I was at that period Minister of Public Works in the province of New Brunswick, and had considerable to do in conferences with the then federal government, with the Minister of Railways, and with his highway board, in connection with this grant. On that occasion, as on this occasion, I refused as Minister of Highways in New Brunswick to accept a grant of the federal government for highways with any strings attached to it. I refused on two grounds: First, that the standard they were setting up was too costly for the maritime provinces, too costly even for the provinces of Ontario and Quebec, and certainly too costly for the western provinces. The regulations as first submitted to the conference laid down a standard of road which would cost $20,000 per mile, and the maritime provinces and the western provinces could not afford to spend money at the rate of $20,000 per mile in order to get a grant of 40 per cent of the expenditure from the federal treasury.

Mr. EDWARDS (Frontenac): Do you mean that for every province?

Mr. VENIOT: Yes, sir. The hon. gentleman shakes his head. Allow me to tell the hon. gentleman that the regulations under the Highway Act as first submitted to the conference in 1919 laid down a standard of hard surfaced roads, and nothing was under the cost of $20,000 per mile. That was one of the reasons why I, as Minister of Public Works in the province of New Brunswick, refused to take that grant. My other reason was that if the federal government was going to give aid to highways in the provinces, they had no right to say to the provinces what kind of road they were to build. That should be left to the discretion of the provinces themselves and the money should be given without any strings attached. That is the stand I took then.

Later on, in the fall of 1919, on the 6th day of October, the federal highway board visited the maritime provinces. On behalf of the province which I then had the honour to represent I still had up to that time refused to expend any part of this federal money. We went on with our own program and our own system of aiding highway construction. In October the federal highway board, accompanied by its engineer, Mr. Dick, came to New Brunswick and the maritime provinces, and met the ministers of highways of Nova Scotia, Prince Edward Island, and New Brunswick, and after they viewed the situation as they had found it in the three maritime provinces, they consented to modifying their standard, and the result was that money was then granted to Prince Edward Island, which was building dirt roads, and to Nova Scotia and New Brunswick, which were building gravel roads according to the standard then in practice in the province of New Brunswick, and I may say that the standard of gravel roads as constructed in New Brunswick under the engineers of that province, and independent of federal government, is the standard of gravel roads approved by the federal board throughout the whole length and breadth of Canada to-day. Up to that time, the 6th of October, we had refused to participate in the

federal grant, for the reasons I have given, but when their standard was modified, with 328 miles of main trunk roads constructed in the province of New Brunswick under the standard I have mentioned, in the month of December of that same year an order in council was passed approving of the plans, specifications and standard of gravel roads in the province of New Brunswick, and the federal government paid to us $250,000 for the work that we had done during that year.

I have stated that in the beginning I was opposed to federal aid with strings attached. It is quite true that when the other provinces accepted this federal aid, I recommended to the province of New Brunswick, as Minister of Public Works, that they should do likewise. It is quite true that in 1923 or 1924 I came to Ottawa as president of the Dominion Good Roads Association, and on their behalf and on behalf of the province I represented, I presented memorials for the continuation of the federal aid to highways. But since that date I have found myself in very good company. When I came to Ottawa as a minister in the federal government, I was still of that opinion, and when I sat in conference and listened to the provincial premiers telling the Prime Minister of this Dominion that they wanted no such grants with strings attached, but that what they waned was an increase of their subsidies, and to be allowed to do with that increase that which they thought best, I was convinced that I was in better company than I had hitherto been with the Good Roads Association because the provincial premiers in that conference were carrying out the very principle that I laid down as Minister of Public Works in New Brunswick in 1919. It is for that reason, and in order to explain my position in connection with the vote I am about to give, that I rose to speak this afternoon. I am convinced that following out the principles that were laid down by the representatives of the different provinces of the Dominion of Canada, I can justify my vote in voting against the resolution as it is presented to this house.

Let me point out one further consideration, Mr. Speaker, Why should any hon. member propose a resolution of this kind in direct opposition to the expressed views of the premiers of the provinces in conference assembled in Ottawa? Surely those gentlemen know what they want. Surely it is not our place to say to them: We know better than you do what you want. They told us they did not want this assistance, and that is the reason why I am justifying my vote this afternoon in opposition to the resolution as it was at first introduced.

I believe that sooner or later we may have to come to the consideration of a national highway.

An hon. MEMBER: Why not now?

Mr. VENIOT: In answer to my hon. friend, I think sufficient reasons have already been advanced why we should not do so now. The arguments to which I have listened in this debate convince me that very few hon. members have any idea of what the construction of such a road will cost. In other words, they have very little idea of what has yet to be done to complete a national transcontinental highway. My hon. friend the leader of the opposition (Mr. Bennett) has stated that he has been informed that there is no more than six hundred miles of road to be completed to bridge the existing gap. My hon. friend must have very poor judgment of what should constitute a national highway. There is not a mile of highway from Halifax on the one side to Sydney on the other, up to the boundaries of the province of Quebec, that can be accepted to-day as the standard for a transcontinental highway. I know whereof I speak. The hon. gentleman representing the county of Pictou (Mr. Cantley) was good enough to tell the house last night that I was the first Minister of Public Works in the maritime provinces to lay down the principle of road improvements. That is quite true. I do not refer to it for the purpose of personal aggrandizement, but everybody in the maritime provinces knows that "Good Roads Veniot" was the first to have money voted for the improved construction of highways in the province of New Brunswick. I wish to give credit to the hon. gentleman who preceded me in that office. He laid down the framework of a system of road improvements for the province, but, fortunately or unfortunately for the province, I do not know which, he did not last long enough in politics to put his system into effect. It fell to my lot to lay down this policy and carry it out.

Let me point out how the cost of road construction can be met better than the provinces are meeting it to-day. It is wrong to say that when in 1919 the federal government made grants to the provinces in aid of highway construction it imposed an extra obligation upon the provinces to spend so much money in order to get the benefit of those grants, and so encouraged them to adopt a

policy which later on they could not financially carry out. That is not true of Ontario, nor of Quebec, nor of New Brunswick. Long before the federal government had ever mooted the idea of granting federal aid, Ontario, Quebec and New Brunswick had instituted a road-building policy which they were carrying out as rapidly as possible. In 1917 when New Brunswick began the reconstruction of main highways as well as secondary trunk roads out of money borrowed against the credit of the province—using money from the consolidated revenue fund to meet the expenses of its by-roads; they are considered our least important roads in comparison with the first two that I have named—we were receiving from automobile fees $38,000 a year. At that time there were only two thousand automobiles in the province. When we adopted the principle of funding the automobile fees to raise money for highway construction, the Good Roads Association at its first convention condemned the principle as not being practicable; but two years later, when New Brunswick was in a position to give a concrete example of how successfully that principle was being applied, the association at their Halifax convention passed a resolution recommending that the provinces earmark their automobile fees and borrow against that fund on a twenty-year basis to meet the capital expenditure on road construction. New Brunswick was the first province to adopt that principle. As I have said, in 1917 we received $38,000 from automobile fees; last year the provincial treasury received from that source $725,000, and about $300,000 from its gasoline tax, representing a funding power of one million dollars. New Brunswick has borrowed one million dollars against this fund to carry on the construction of its main highways and secondary trunk roads, and with the provision for a sinking fund the loan will be repaid in a period of twenty years.

Mr. EDWARDS (Frontenac): If you concur in that principle, what would you say to the Dominion applying to the same purpose the money which it obtains through excise and other taxes levied on automobiles?

Mr. VENIOT: There is all the difference in the world between the two cases. The province is collecting automobile fees and gasoline tax from those who use its roads, and has no right to apply that money to any other purpose than the reconstruction and upkeep of those roads. Take the province of Ontario. it receives annually from automobile fees and gasoline tax over three million dollars. I understand the province does fund a part of this revenue for the construction of roads, but not for maintenance. Why should not a rich province like Ontario fund more, if not the whole, of its automobile fees to look after its highways? The money is collected from those who by their use of the provincial highways necessitate heavy expenditures in maintenance and reconstruction. It is a fair proposition. The owners of automobiles should pay for the upkeep of the highways because they are the ones who destroy them. Everyone knows that no matter how you construct any kind of hard surface road, or even a gravel road, there is no such thing as permanency. You cannot find, either in Canada or anywhere else in the world, material that will make a highway which you can claim to be permanent; there is always a certain maintenance cost to meet. One of the best highways on the North American continent, between Montreal and Quebec—what is known as the King Edward Memorial highway—is costing the province of Quebec to-day at least from four to five thousand dollars a mile for maintenance. I have travelled over highways between here and Toronto, hard surface in some places and gravel in others; they are among the best roads I have ever travelled over in my life, and yet the upkeep is enormous. I do not see, therefore, how it can possibly be suggested that the federal government should grant money to aid in the construction of purely provincial roads,—I am not referring now to national highways. If that contention were conceded and we contributed money now to a greater extent than we have done in the past, or on as large a scale as we did in 1919, when the provinces received but little revenue from automobile fees, what would be the next step which the provinces would ask us to take in connection with responsibilities that should be theirs?

I did not intend taking up so much time, but I wanted to explain my position in regard to this resolution. From what has occurred in the last three or four years, the changed conditions and the altered opinions of the Prime Ministers of the different provinces, I am perfectly justified in assuming the position I intend to take in voting against the resolution. Before I resume my seat, however, I wish to refer to a remark made by one hon. member in discussing the resolution. It was uncalled for and I believe, had he given it sober, second thought, he would not have made the remark. We may differ with one another; one province can differ with another

in its aims and aspirations; in the nature of things we do differ. But when an hon. member from Ontario is so much at a loss for argument that he must condemn public expenditures in the maritime provinces as a means of saving some money to spend on the roads in Ontario, then I think his argument is very far-fetched; it is not worthy of that hon. gentleman.

Mr. ADSHEAD: Did I understand the hon. gentleman to say that at the Dominion-provincial conference all the provinces were opposed to a federal grant for highways construction? At page 31 of the report of the conference I read that:

> On the question of aid for highway construction practically all the provinces, with the exception of Quebec, favoured assistance from the federal treasury.

Mr. VENIOT: I thought I made myself clear. I said that they opposed the granting of federal aid to anything in connection with provincial responsibilities which had any strings attached to it; and I was all the more convinced that I should support the policy which I laid down in 1919 as Minister of Public Works in New Brunswick.

In conclusion, may I express some surprise at the heat displayed by the leader of the opposition (Mr. Bennett) in his reply to the Prime Minister (Mr. Mackenzie King). Really, to say the least, it was comical to hear the leader of the opposition preaching economy. When you look back on his own record and the record of his own party, no matter at what time they were in power, and then hear the present leader of that party stand up and preach economy, it is enough to make anyone laugh.

Mr. BENNETT: A good many of them were laughing.

Mr. VENIOT: Why did he not preach and practise economy when he had the opportunity? Take him when he was Minister of Finance for a few short months in the shadow government. What did he do? You will find, if you examine the records, that this apostle of economy, this watchdog of the treasury, consented to the expenditure of some $55,000,000 without any authority from parliament, in order to help elect his friends in different parts of the country.

Mr. BENNETT: I am sorry I must contradict the hon. gentleman. The reports brought down by the succeeding Minister of Finance indicated—

Mr. VENIOT: I thought I would bring him to his feet.

[Mr. Veniot.]

Mr. BENNETT: Oh no. The reports, I say, indicated that the estimates had been followed in their entirety.

Mr. VENIOT: The hon. gentleman knew that between July 3 and September 14, 1926, $55,000,000 was expended without one tittle of authority from parliament; and expended where? In the very places referred to last night by his colleague from Ontario where, according to him, the construction of breakwaters and wharves was undertaken, in Quebec, and in the maritime provinces, as a sop to the Liberals. As a matter of fact, it was done in order to give a sop to the Tories in 1926; but no fault was found by my hon. friend, who to-day stands up and preaches economy. I would advise the hon. gentleman to think over his past record in regard to economy before he undertakes to lecture this side of the house.

Mr. CHURCH: Mr. Speaker—

Mr. YOUNG (Saskatoon): I am sure that the hon. member for Parkdale (Mr. Spence) will be quite relieved to know that I will not—

Mr. SPEAKER: Order. I had not noticed that an hon. member on the other side of the house wished to speak. It is desirable, I think, that hon. members in the respective groups should speak alternately, and if the hon. member will be good enough to make way, the hon. member for Toronto Northwest (Mr. Church) will speak.

Mr. T. L. CHURCH (Toronto Northwest): A good many ministers have been visiting Toronto and other parts of Ontario and have been telling the people how prosperous this country is; you have only to put your hand in your pocket to find gold and silver. But what is the situation? When the Laurier government came into power the country was spending $36,000,000 whereas to-day it is spending $400,000,000; yet it cannot afford a few dollars for a national system of good roads. What the hon. member for Parkdale (Mr. Spence) said yesterday has a good deal of common sense in it. The city of Toronto has to spend money on roads for a radius of fifteen miles outside the city to help the farmers bring their produce in. What this country needs is a national policy in relation to good roads. We have had the most insane railway policy of any country in the world; with useless duplication and waste as a railway policy, and the Liberal party created that debt by building the Grand Trunk Pacific railway. If one fraction of that money had been spent on good roads it would have been

much better for the country. Under the Beveridge bill of the United States the federal government grants money to the state legislatures, and the states build the roads to conform to federal standard specifications.

I congratulate the Progressives for having brought up this question; as a result of this debate the good roads movement will get into politics and it will stay in politics until the government of the day attains a proper sense of its responsibility. In the last presidential election in the United States farm relief was the great issue. Where does this government stand on the question of farm relief? The automobile and motor truck have revolutionized farm transportation, and if there is one province which gets nothing for good roads from this government it is the empire province of Ontario. The government and the municipalities of Ontario have done their duty in building good roads, receiving little or nothing from this government. The municipalities throughout the country are bearing the peak load of taxation to-day, both direct and indirect; they have not the elaborate means of revenue possessed by the Dominion, but to-day this government is not doing its duty in this respect. In 1896 it required $36,000,000 to maintain the country; now it requires $400,000,000, but to-day we are spending very little more on good roads than we spent in 1896. We have millions of dollars for frills and fads; $2,000,000 to date for the League of Nations, $2,500,000 for the health of animals, $100,000 for an embassy in Washington and another $100,000 for an embassy in Tokyo. If we had a proper system of going through these estimates we could eliminate perhaps one-third of them and apply the money to essentials; we could build these good roads which are so necessary to-day. I have travelled all over the province of Ontario and in many cases I find that the farmers canont get their crops to market; in the Niagara district many farmers do not gather in their fruit because they cannot get it to the cities because of the cost of transportation. Ontario has spent millions of dollars building roads even in the north, where we had to build our own branch railway, the Temiskaming and Ontario line. Ontario wanted a subsidy from this government for the Temiskaming and Northern Ontario railway, which taps the richest mining district in the world to-day, but we could not get it.

The Conservative party started this good roads movement in Ontario in 1906, and the Ferguson government has done a great deal of good in this matter. Mr. Taschereau in Quebec has done excellent work also, but nothing has been done by this federal government for the central provinces herein. I hope the farmers will take note of the fact that while this government spends money like water, no money is available for these good roads. Any municipal treasurer would strike out about one-third of these estimates, but this government is not operating in a business way. We could stop building branch lines for a year or two and devote the money to a good roads system which would be of much greater benefit. I suppose soon we will be building branch lines to the sun, the moon and the stars.

The present road-building policy of this government seems to be one which robs Peter to pay Paul. There is no such thing as equality of treatment; some provinces get something but the older provinces get nothing. We should spend $5,000,000 a year for the next ten years in the western provinces to put them on a proper footing. In Ontario, Toronto and the Ontario government built the Toronto-Hamilton highway, and now Toronto pays 40 per cent of the cost of building and maintaining it. We should have something similar to the Beveridge bill by which the federal authorities would grant money to the provinces for the next five years for the construction of roads according to standard federal specifications. If that system were inaugurated it would be a great advantage to the people of Canada. The government cannot go to sleep on this question and say they have nothing to do with the construction of good roads. The motorists of Ontario have to pay a gasoline tax, which I believe to be absolutely illegal; I think if it were taken to the privy council it would be shown that the collection of this gasoline tax by the province is ultra vires. Last year Ontario collected several millions from this tax, and a good deal of that money has been used in the ordinary business of the province instead of being devoted to good roads while also the Ontario government spent several millions on roads.

If the federal government would spend one-tenth of the money spent on useless railways we would get somewhere. East of the city of Toronto we have four roads, the Canadian National railway double tracked; we have the Canadian Pacific railway double tracked; the old Canadian Northern and Toronto and Eastern; and to-day the government are tearing up the old Mackenzie and Mann road and selling the ties and so on. That was a useless duplication and waste of money, yet we have hardly a dollar to spend on our highways. I believe if this matter were taken up by a special committee composed of all parties of the house we might formulate a national policy which would be a credit to the country.

Mr. A. M. YOUNG (Saskatoon): When the hon. member for Parkdale (Mr. Spence) was speaking yesterday he made some reference to the members from Saskatchewan. He made the statement that they were "muzzled", but I think he took these words back after some little time. He then said that at least we were "struck dumb". I may say to the hon. member for Parkdale that we do not know the meaning of those words, and if he is trying to fit to us the situation in which he apparently finds himself, let me say that it does not fit.

I was very much interested in the remarks of the hon. member for Ontario (Mr. Kaiser). He enunciated one or two principles in his remarks last night which I think this house should analyze. I will read what he said:

> I am surprised at the position taken by the government on this question. I am doubly surprised at the attitude taken by the speaker who stated the position of the government; I refer to the hon. Minister of Railways (Mr. Dunning). As member for Regina his policy is to my mind absolutely incomprehensible. If I returned to Oshawa, the home of the automobile industry, and did not raise my voice in favour of the construction of good roads, I do not think my chance for re-election would be very good. Regina, represented by the Minister of Railways, secured one-half of the industry from my city during the last summer, and how any man representing a city with a large automobile industry engage therein can stand up in parliament and vote against good roads is an inconsistency quite beyond my comprehension.

In referring to the Minister of Railways the hon. member for Ontario is somewhat confused. The hon. member for Regina is one thing, but the Minister of Railways is quite another thing. The hon. member for Regina represents that constituency, but, as Minister of Railways, he equally represents every constituency in the Dominion of Canada. My hon. friend from Ontario is very much surprised; he is usually surprised at anything this government does. For instance, when the tariff on automobiles was reduced he was surprised that that industry did not fail but continued to flourish like a green bay tree. He surprises some of us by the statements he makes,—for example, "I do not think my chance for re-election would be very good". Apparently that is a thing that concerns the hon. member for Ontario. Applying this remark to the hon. Minister of Railways I would say that while the hon. member for Regina probably takes as good care of his constituency as any other member in this house, nevertheless, should his national duties as Minister of Railways conflict with the interests of his constituency, I am proud to say that he would do what was in the interests of the nation rather than what was in the interests of his own constituency. Apparently my hon. friend from Ontario is of the opinion that when a policy is to be inaugurated, he must consider first and foremost whether that policy will best protect the industry in his own home town.

I believe, Mr. Speaker, that the duty of a member is primarily to his constituency, but there are many things which affect not only the constituency but also the nation at large. I would say to the hon. member for Ontario, and to every hon. member of this house, that he should not look merely to the effect it is going to have in his constituency; he should look to the effect it will have on the nation at large. The hon. member has certainly defined the Tory doctrine as clearly as it could be done. His principle is that they must protect the interests of the few, while the Liberal party would say that they must look to the effect this resolution will have on the needs of the masses of the people of this country.

Mr. SPENCE: That is all we want.

Mr. YOUNG (Saskatoon): The fact that this resolution was introduced by an hon. member of this house is to me somewhat peculiar. We are sitting here as federal members and looking at things from the national viewpoint, and to have a resolution of this kind come before us in this way does not seem to me to be proper. Primarily this matter is one for which the provinces are responsible. It may be, as in other matters in which the provinces are primarily responsible, that this parliament might assist, but the primary responsibility rests and remains with the provinces. Surely the provinces should consider the whole question from A to Z and find out what is involved in this whole national project, and then when the matter had been thoroughly investigated you would expect the governments of all the provinces to make representations to this parliament asking for federal aid. Is that the situation here? We find that the provinces have not investigated this matter to find exactly what it means, or have not asked this parliament for any specific help. On the other hand, we find an hon. member of this house trying to say to the provinces, who have not considered the scheme, "We are going to tell you that you should have some better roads in the shape of a national highway." In my humble judgment the matter should be approached from absolutely the opposite angle.

I come from the province of Saskatchewan. It is a large province; it is a new province,

and it is sparsely populated. As far as I am concerned I want to have the best roads that we can afford, but we must consider what would be the best way to build those roads. This resolution seems to suggest that the first thing to be taken care of is a national highway from coast to coast. Such a highway would be primarily for tourists. I am in favour of bringing in all the tourists we can, no doubt about that, and if we can afford to construct all the provincial highways we need and at the same time build this national highway, I am for building both. I am told that the tourist traffic brings a large amount of money into Canada, and I believe that is true, but I want to suggest to this house, and suggest it most seriously, that the producers of grain in the western provinces bring a much larger amount of money into this great Dominion. If the farmers of western Canada were to be asked whether they wanted a national highway which would cross their province, or the class of roads which would be market roads to get them hither and thither throughout the various parts of the country, I do not believe there is any doubt as to what answer they would make. If I were a member of the legislative assembly in the province I would be obliged to consider first how I could best serve the greatest number of the people in the province. If the question of good roads arose I would have to consider as between the producers of grain and the tourists, and I am with the producers of grain always. The hon. member who introduced this resolution apparently is more concerned in getting tourist traffic travelling from one end of this country to the other than in first getting good roads for all the producers.

Mr. KELLNER: I would like to ask the hon. member if he has read the resolution.

Mr. YOUNG (Saskatoon): Yes, I have, and I think it would have been much better if the hon. member had read it himself before he submitted it. We may come to the time when in those great new western provinces we can wholly satisfy the producers with all the main market roads they require, and after that they may get a national highway. I am not opposed to a national highway; I would like to have a national highway, but I want first things considered first.

I think the leader of the opposition (Mr. Bennett) this afternoon is very greatly indebted to the hon. member for Fort William (Mr. Manion) for the suggestion as to that 600 miles of roadway. I should like to ask him seriously: Does he really believe that the construction of 600 miles of roadway will complete what is contemplated in the resolution before us to-day? If so I do not think he has read the resolution, and I suggest to the mover of the resolution that he instruct the leader of the opposition as to its meaning. The hon. member for Fort William told us yesterday that there was a gap of approximately 600 miles in western Ontario. I want to ask the leader of the opposition: Does he believe, if this money were finally voted as suggested in the resolution, that the only thing on which he would spend the money would be the 600 miles in western Ontario. I think he would not say that; in fact, I am quite sure he would not say it. In that case he is bound to come to the other conclusion that more than 600 miles of roadway are required. There are continuous roads going through the provinces of Manitoba, Saskatchewan and Alberta. Does the leader of the opposition believe in those western provinces we have what might be called a national highway? I do not think any hon. member is deceived by any such suggestion as that. We know quite well that what is contemplated in the resolution is a highway with a permanent road surface, one on which you can go from coast to coast. As the Prime Minister so well stated to-day, this would cost an immense amount of money and he placed it at $200,000,000. I ask every hon. member, no matter what part of Canada he comes from, but particularly hon. members from Manitoba, Saskatchewan and Alberta: would they, at the present time, sanction the appropriation of any such large amount of money for a national highway? I ask them to consider that question seriously before they record any vote in favour of the resolution. We have to-day listened to many things that have very little to do with the motion under consideration; we wandered off into budget debates; we were almost in high heaven. I was wondering where the leader of the opposition was going to end, he was getting so far into the clouds. He had me completely beclouded with figures, and after listening to his very lofty speech, I was not just sure whether he was really in favour of the resolution or not.

In conclusion, I am not opposing a national highway, and if it is going to be constructed, I can tell you where to build it. But for parliament to say under these circumstances that it is prepared now to support the motion, would be to act on insufficient evidence. It may be possible, in spite of the fact that it is not a good principle for one authority to tax and another to spend, that parliament at some future period might expend a certain

amount of money on this project and the money be well spent. But before that should be done we should have exhaustive information as to the whole project, and the provinces themselves must initiate the scheme. After that it will be time enough for us to say what assistance we shall give.

Hon. J. E. SINCLAIR (Queens): Mr. Speaker. I am sure we have listened with much interest to the debate that has continued so long, and I do not think it would be proper for me to allow it to conclude without saying a word on behalf of the province that is separated by the Northumberland strait from the mainland of Canada. It cannot be expected that we would be so much interested in the building of a national highway as those who live on the mainland of Canada where travel by automobile can proceed without interruption from one end of the country to the other. For that reason I wish to say a few words in order to convey to the house what I believe is the consensus of opinion of the electorate of Prince Edward Island.

It is a long time since this matter was first brought before the house; it was discussed many years in parliament before it was accepted by parliament. In fact, it was several years after it had been discussed at great length before the parliament of Canada was asked to accept it as a means of creating work for the returned soldiers. In 1919, when it was introduced by the then Minister of Railways, if hon. members will refer to the debates they will see that in his short speech of introduction of the resolution, a speech which comprised only a little more than a page of Hansard, he emphasized in three different paragraphs that it should be accepted as a means for creating work to re-establish the soldiers who were coming back from the war. We are far enough removed from the war to forget that reason; it cannot any longer be used to create an impression upon the members of the house or the country generally.

Mr. EDWARDS (Frontenac): The minister at that time said distinctly that that was a minor reason, not the main reason by any means.

Mr. SINCLAIR (Queens): If my hon. friend will refer to page 730 of Hansard of 1919, he will see that the minister, in introducing the resolution, gave that reason as the first reason to be mentioned.

Mr. EDWARDS (Frontenac): He gave that as one reason.

[Mr. A. M. Young.]

Mr. SINCLAIR (Queens): He emphasized it three times in the course of the short speech of introduction he made at that time.

Mr. EDWARDS (Frontenac): I do not dispute that, but I say that before he concluded his remarks, he said that was not the main reason for the proposition.

Mr. SINCLAIR (Queens): Then I must infer, from the remarks made by the hon. member for Frontenac-Addington, that the then Minister of Railways concluded his remarks without giving the main reason to the house, because I read the speech completely this afternoon and I found it as I stated to the house.

Mr. EDWARDS (Frontenac): I read it also.

Mr. SINCLAIR (Queens): If my hon. friend finds a reason that was more emphasized than the one to which I referred, I should be glad if he would point it out to the house.

Another point that came up when this question was introduced into the house in 1912 was: Should the greater be taxed to provide facilities for the few? That is a principle we should not lose sight of when we are considering such resolutions as the one now before the house, because conditions in Canada differ in the various sections of the ocuntry. The greater part of the revenue derived by our federal exchequer is raised through the customs, and the far-away sections of the country are made to contribute according to their ability equally with the more central parts of the country. I think, therefore, that when we distribute federal moneys in the way the highway appropriation of $20,000,000 was distributed, the smaller provinces are placed in an unfavourable position as compared with the larger provinces to share in such a grant. My view in the past has been, and I am of the same opinion still, that it is better for the Dominion of Canada to consider the matter carefully in conference with the provinces, rather than to distribute federal monies in the way proposed in this resolution. It is better to give the provinces an increase in their subsidies, if that be necessary, to cover conditions that have grown up since the last adjustment of subsidies was made. That, it seems to me, is the fairer way. In addition, it gives the provinces the right to vote their monies for the purposes most needed in the province, whether it be the building or upkeep of roads or for some other purpose.

Dealing more particularly with the amendment that was moved by the hon. member for Kindersley (Mr. Carmichael) for a national

highway to be constructed across Canada, I just wish to say that the same argument holds good only in a more pronounced way, because the smaller provinces, and especially that province which is separated from the mainland of Canada, would not be in a position to benefit from a large expenditure of that kind in a degree comparable with the more central portions of Canada. So I feel sure that those of use who come from the eastern provinces and particularly Prince Edward Island, cannot accept the resolution of the hon. member as readily as those from the more central portions of Canada.

The expenditures that the provinces were called upon to make under the Highways Act of 1919 were met entirely by borrowings by the provinces, and in Prince Edward Island the provincial debt was doubled by the amount it was necessary to raise to take advantage of the highway grant. As has been very well stated by the hon. the Postmaster General, (Mr. Veniot), in the maritime provinces including Prince Edward Island, they did not attempt to build roads to the standard aimed at and attained in the larger provinces. In fact, they could undertake only a system of drainage of properly constructing the bridges, and of making the roads passable over the low and rough places. They did not in any degree attempt under the highway grant to surface the roads, because that would have entailed such a large expenditure in the importation of the necessary material from the other maritime provinces that it would have used up the whole grant. To extend the highway grant for another five years, therefore, would mean further heavy borrowings for the small province of Prince Edward Island, in order to put herself in a position where she could obtain the benefits extended to the other provinces.

I might add that at the time the monies were being expended the government of Prince Edward Island, in order to get the full benefit of the forty per cent from the federal treasury within the time that was allowed, passed an order in council expressing the view that they would not be able to earn the full amount, and asking the federal government to allow the cities of Charlottetown and Summerside to put up the sixty per cent and continue the highway through the cities. This was accepted by the federal government and the cities put up the sixty per cent.

I might point out that the same is true with respect to other legislation of this nature which has been passed by the Dominion government—the Technical Education Act, for instance. The matter came before the royal commission investigating maritime claims, and the view that had been presented to the government on several occasions was again presented to the commission, which in its report recommended that a distinction be made so far as Prince Edward Island was concerned in the distribution of the funds granted by this parliament for technical education, namely, that it be extended in that province to agricultural education, as was not the case in the other provinces. It was also recommended by the commission that it be extended, if possible, to giving instruction to fishermen. So I think the house will agree with me that in passing legislation of the kind that is asked for by this resolution, the smaller provinces as well as those in the more distant parts of Canada are placed under a handicap as compared with those provinces which are more centrally located.

Further, we have no demands from the electors in our province for legislation of this kind. There is no movement among the people there for a larger grant or for a renewal of the grant of federal aid to highways. But there is a movement among our people for expenditure by the federal government in other directions, and I think it is only fair for me to interpret the wishes expressed by our people and to say that if moneys are to be expended by the federal exchequer in aid of transportation, many petitions have been circulated among the people of Prince Edward Island, by the farmers' organizations, for instance, endorsed by the boards of trade of the province as well as by the maritime board of trade at its meeting at Halifax, asking for railway extensions to different parts of the province, to serve the needs of the farming sections which are far removed from railway facilities, as well as the needs of fishing centres which are lacking in proper transportation facilities.

So I think we in the east must be guided by the wishes of the people as expressed calmly and in the light of their everyday needs, that it is better to spend federal money under the British North America Act than encroach upon the field allotted to the provinces. I would be much better satisfied to see aid given along the line that is asked for by the people of our province, rather than impose upon them expenditures that they themselves have not expressed a desire to undertake. Therefore, Mr. Speaker, I shall oppose the amendment as well as the motion.

Mr. J. E. LETELLIER DE ST. JUST (Compton) (Translation): Mr. Speaker, I had no intention of participating in the discussion on the resolution of the hon. member for

Athabaska (Mr. Kellner), and taking up uselessly the precious time of this house, had not the hon. member for Muskoka-Ontario (Mr. McGibbon) criticized, yesterday, the attitude of members on your right, sir, while debating the question of good roads, a reflection which can be found at page 306 of Hansard and reads as follows:

> A good proportion of the members to your right, Mr. Speaker, come from rural ridings where roads are almost as essential as daily bread, and to me it is an interesting sight to watch them sitting there and allowing themselves to be led by the Minister of Railways practically in silence to oppose this resolution. I think I can speak with a good deal of confidence when I say that not one of those members represents the opinions of the people who sent him to this house.

Having, sir, the honour to represent the beautiful and extensive riding of Compton, I do not wish for a moment to be thought deaf to such a challenge because I recall the splendid highway measure adopted by the province of Quebec and dating from 1912. I was delighted a few moments ago to hear the right hon. Prime Minister (Mr. Mackenzie King) express himself so eloquently on behalf of the interests of the whole country. The house should without hesitation accept the suggestion which he made to refer this resolution to a committee that would study all its aspects and arrive at some fair decision in the interest of the whole of Canada. I was also pleased to listen to the hon. Postmaster General (Mr. Veniot), that very energetic person admired by all the people in this country and so able to face the criticism of our opponents on the opposite side of the house. As I reside in a locality bordering the state of Maine which divides Quebec from New Brunswick, I often have the opportunity of meeting people of that province and I have many times heard them express much regret at the defeat of the hon. Postmaster General as Prime Minister of New Brunswick. It is due to him if the policy of good roads was adopted in his province and I must congratulate him on that score.

Likewise it is due to the Hon. Sir Lomer Gouin, ex-Prime Minister of the province of Quebec, if we have to-day so many good roads scattered throughout the province. It is entirely to his credit, he is the father of those roads. In 1912, the Quebec legislature adopted a splendid measure which the people then were not very familiar with. I heard a great many farmers of various municipalities at the time the government were offering to lend them money at 3 or 2 per cent, refuse it fearing that the act might be contrary to public welfare. In 1912, the Quebec government succeeded in negotiating a loan of more than $10,000,000 to begin the construction of gravel, macadam and asphalt roads. After this loan had been exhausted, the people then began to realize the importance of good roads. I personally organized delegations that called on the Quebec premier in order to request him to help certain municipalities which, after having had doubts about the advisability of the program of good roads, wished to obtain the necessary money to build them. I heard the then prime minister tell them: "Gentlemen, this is the outcome of a good measure, when well understood. All I regret is that, in the present money market condition, it is more difficult to obtain money on such terms. I am equally well disposed and as soon as I will be able to obtain a loan on suitable terms, rest assured that I shall again be ready to listen to your requests."

We fully understand the importance of good roads in the province of Quebec. Nevertheless I think it is an excellent thing for the Dominion government to adopt a cautious policy which will permit it, from year to year, to reduce our national debt. Before we further proceed and trespass on the autonomy of the provinces, I think the government should move cautiously, as the provinces have legislated on good roads, they have spent thousands and thousands of dollars, and I am of the opinion that it would not be wise for the Dominion government, previous to studying sufficiently this measure, to agree with the motion before the house. I think that the people have no reason to be offended on the attitude taken, at present, by the government, so worthy of praise for its administration of the country's affairs. To my mind the resolution should not be adopted previous to its being sufficiently studied and before the provinces consent to shoulder their share of the burden and accept the Dominion government's invitation. Often it takes years before an important measure is carried. I was referring just now to my constituency, especially that part known in Quebec as Frontenac, whose chief town I inhabit and which I have the honour of representing, together with my colleague, the hon. member for Beauce (Mr. Lacroix). In 1916, we appealed to the provincial government, as I mentioned a few moments ago, in order to obtain the building of the district road known to-day as the Victoriaville-Woburn highway and, in the direction of Beauce, St. George-Woburn highway. In 1916, we met at Megantic and discussed the important problem of district roads which later on will become international highways. Seventeen years

have since elapsed, and I wish to inform the house that in the course of the year 1930, we shall have the honour of inaugurating that highway which will link Quebec to the state of Maine extending as far as Portland.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. LETELLIER DE ST. JUST: Mr. Speaker, when the house rose at six o'clock, I was just on the point of discussing the importance of having tourists in Canada. It is certainly due to the development and improvement of our highways that such a large number of tourists have visited not only the province in which I reside, but all the provinces of Canada.

If we glance over the statement of the Bank of Montreal, for the month of July, 1928, we note that thanks to the continuous flow of American and other foreign tourists, although the latter in smaller numbers, the retail trade as a whole, improved considerably during the summer season. It is also seen in the same statement that the money spent by tourists amounted to $250,000,000. Indeed, this is a colossal figure! It is of great import that the various provinces use discretion, they must endeavour to improve their roads throughout their respective territories. However, if we examine the various aspects of the question; if we consider how our railways fare in this matter, both the Canadian Pacific and the National railways—owing to the development of good roads and the heavy traffic of vehicles of all kinds: motor trucks, motor-bus and other motor cars, during the summer season, and this is an appreciable advantage for those who love to travel through our provinces—we are aware that it is very detrimental to our railway companies, owing to the fact that they are obliged to reduce the number of trains, and, if we do not show foresight, it will become difficult to regulate the passenger service as it should be.

For these various reasons, I think we should seriously study the measure at present under consideration, both as regards the viewpoint of railways and the administration of the country.

We are all aware that the hon. Minister of Finance (Mr. Robb) has a great responsibility towards this country. Often we hear it said that a member's burden is heavy; however, if we stop to think for a moment and consider the enormous responsibility which weighs on the Minister of Finance who is the barometer of the country's finances, there is need to look carefully into this resolution, in order to avoid the disaster which might befall us should we become too inconsistent. The economic stability of a country—we all know—begins with the good management of municipalities which make up the provinces as well as the good administration of the latter themselves, and, through this medium, the federal government is assured of being able to suitably administer our affairs, and each year report a surplus instead of a deficit.

We have been fortunate enough to witness heretofore, an ever increasing trade throughout the country. This allows the Minister of Finance and his colleagues in the cabinet to announce in the budget, each year, a reduction in taxation as well as a decrease of the national debt.

I think, Mr. Speaker, that this resolution should be withdrawn, otherwise I shall be forced to vote against it for the numerous reasons I have enumerated. It often occurs that we do not give sufficient time to questions submitted to us. However, it is true that either the permanent or special committees of this house closely examine these questions, which affords us some guarantee. Thus we have a sound federal administration, one that the people of Canada will appreciate, not only in the course of this year but in future years.

Hon. E. B. RYCKMAN (East Toronto): I hope my words in this debate will be very few, but I am driven to my feet because of an erroneous impression which, I believe, has characterized this debate from its very beginning. It started when the Minister of Finance (Mr. Robb) said, as reported at page 232 of Hansard:

> The constitution determines what are properly federal obligations and what are properly provincial obligations. Until we have reduced the debt further and have been able to reduce the taxes upon the people, it seems to me that this matter might very well stand. For that reason I shall vote against the motion.

That was followed in about the same strain and to the same effect, by the Minister of Railways (Mr. Dunning), who announced that he would vote against the motion. The implication, the plain implication, in the language of the Minister of Finance was that what was asked by this resolution fell properly within the province's authority and should be a charge upon the taxation which the province might impose. That is altogether incorrect. Further, the hon. member for Saskatoon (Mr. Young), who spoke but a few minutes ago, stated that this was a matter in which the provinces should get together and should determine what ought to be done, and then

ask the Dominion government to act. Anyone who reads the British North America Act will feel that such a statement as that is almost foolish.

Four months ago I listened in the supreme court to an argument wherein it was said by counsel for this government that he was instructed by the Attorney General that, where there was any matter that referred not only to national interests but to interests between two provinces, immediately the subject matter fell within the control of the Dominion. I am not supporting that argument, but I am saying that this resolution as originally placed upon the order paper stated that it dealt with a national highway, and therefore that is a subject wholly within the competence of this parliament. Even if the matter were interprovincial it would be within the competence of this parliament, contrary to the impression left by the hon. member for Compton (Mr. Letellier) as I followed him. Even the hon. member for Ontario (Mr. Kaiser) said he regretted that the British North America Act, passed over sixty years ago, had not made provision for this particular case; he said that could not be, of course, because at that time there were no motor vehicles. I submit, Mr. Speaker, that it is absolutely declared by the British North America Act that this matter of a national highway or of interprovincial highway communication falls strictly within the terms of the act, so it was quite amusing to hear the Prime Minister state at least twice that this was peculiarly a question for the provinces. I deny that statement; I say it is particularly a question for the Dominion. In this connection I would refer to sections 91 and 92 of the British North America Act and particularly to subsection 10 of section 92, which specifies the subjects which come within the peculiar jurisdiction of the provinces, as follows:

> Local works and undertakings other than such as are of the following classes:—
>
> a. Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province.

In order to make this more emphatic, subsection 29 of section 91 states that within the peculiar jurisdiction of the Dominion, contrary to what the Prime Minister led the house to believe this afternoon, fall all such classes of subjects as are expressly excepted in the enumeration of the classes of subjects by this act assigned exclusively to the legislatures of the provinces. So according to these two sections the jurisdiction of the Dominion is absolute in regard to communication between one province and another or several provinces. This matter of a national highway is one with which the Dominion must deal; if a province attempted to do so in collaboration with another province the objection would be taken at once that the matter fell within the jurisdiction of the Dominion.

Do not let anyone go away with the idea that the provinces should collaborate in this way or that there is any matter in relation to this resolution, either as it originally appeared or as it has been amended, which comes within the jurisdiction of the provinces. If it is beneficial to have a national highway; if it is desirable to have an interprovincial highway of this kind this parliament must decide what should be done. From what has fallen from the lips of members on the other side of the house I think it is generally agreed that, if we did not have to pay for it, it would be in the general interests of Canada to have such a highway. Other hon. members of this house have pointed out more strongly than I can hope to do the benefits which would accrue from such a highway. A short time ago in Toronto I had the pleasure of listening to an address delivered by Sir Henry Thornton before the Canadian Institute of Industrial Traffic Men on the subject of "How to sell Canada to the world." How are we to popularize Canada? How are we to get people looking towards Canada and to get settlers for our country? I do not know any better way than by showing them the goods, and I know of no better way of displaying the goods than by bringing the people here to see what Canada is and has to offer.

We were told by the hon. member for Saskatoon (Mr. Young) that as far as he is concerned he stands for the farmer against the tourist. So do I, but I stand for the farmer and also for the golden-egg-laying tourist, and no one should know better than the Minister of Finance what those tourists mean to Canada. How often have we heard the Prime Minister tell us that the legislation brought in by this government is intended to favour the four great basic industries of Canada? I say, Mr. Speaker, that I know of no better way to advance the interests of the farmer, the miner, the lumberman and even the fisherman than by a national highway which will bring us the golden eggs of the tourist traffic.

A rather cheap gibe, if I may use the term, was cast upon members of parliament by the Minister of Finance, although I do not believe he was referring to members on this side of the house; he must have been prompted by his experience with his own party. He said

that at the beginning of the session demands rolled in upon him for subventions and aids of one kind or another, but that at the close of the session the members on this side of the house were unanimous in condemning the government for its extravagance. During this session, and any other session I may be able to attend, I purpose supporting a national highway for Canada. I have no interest but that of the Dominion; I am not aligned with those who have been described as preferring the provinces as against the Dominion. That will be my course throughout this parliament. And my course throughout this parliament, and any other I have the privilege of attending, will be to condemn the government for its obvious extravagance. Why? In the special matter that is before us we have the opportunity of expending money—I believe it would be very little if the government got together and tried to solve this problem—in a wise way, and a wise expenditure is the soundest and truest economy. This government can spend the money and get it back tenfold if they will only listen to this resolution and the amendment.

I have been interested in listening to the efforts that have been made to defeat this resolution. One argument put forward by the Minister of Railways (Mr. Dunning) was to the effect that we had $2,000,000,000 invested in railways and we should be careful in the building of good roads because we might interfere with the receipts of those railways. How futile an argument of that kind must seem to anyone supposed to know as much as the Minister of Railways should know. Documentary evidence can be found that the automobile industry has brought more actual net cash income to the railways than has been taken away by any short-haul trips made by motor vehicles in carrying either passengers or freight.

If you want to build up a country, build up its industries. The Minister of Railways referred to one case which comes closest to supporting his theory, although it is still a long way off, and mentioned Great Britain. Great Britain is preeminently a short-haul country, but what have the railways been doing there? The railways of Great Britain had been paying exorbitant dividends, and it was found that money could be saved by the use of motor vehicles. The railways have tried to meet that situation by competing with automobile traffic, and they find that they can still pay dividends although, not as large as were previously paid. Who on the other side will say that that result is not a good thing for that country? I do not believe the prosperity of our railways would in any way be adversely affected should this resolution pass.

The government, instead of being at outs with the provinces, should enter into consultation with them, with the idea of using any stretches of road that could be used—should make up their minds that they were going to bridge the gaps, whether they be six hundred or a thousand miles—we should have throughout Canada the best highway we can possibly get. Show Canada to the Americans. I would take half the money—I am speaking at random—that is given to the Minister of Immigration (Mr. Forke) and I would spend that on national highway construction. I would bring the American people over here and show them what a desirable country we have. I am sure we would get settlers, settlers with money, the class we desire to get, people who would populate this country and become Canadians. In that way the prosperity of Canada would be upbuilt.

No one can justify his vote on this question on the ground that this grant is peculiarly a matter for the provinces, notwithstanding what the right hon. the Prime Minister has said. It is not a matter for the provinces; it is a matter for the Dominion of Canada. That being so, why cannot the government go right ahead and solve this problem on a business basis? It would not cost the country too much money, and we could effect the result which all of us desire.

I hope, Mr. Speaker, that if the government and its supporters oppose this vote, the fact will be made widely known. I do not think the Prime Minister will take much advice from me, but I will tell him that I cannot conceive of any matter which has been before this house, certainly not at this session, which would reflect more strongly against the government than a decision that this resolution, asking that the government take this matter into consideration, should not carry.

Mr. E. J. YOUNG (Weyburn): Unlike my friend the hon. member for Saskatoon (Mr Young), I am not in favour of building a national transcontinental highway. One of my reasons for not being in favour of such a road is that there are too many men like my hon. friend from Saskatoon who are ready to tell the government the exact place where that road should go. If we decide to build such a road I would be prepared to offer proof that the proper place to run it would be through the city of Weyburn. I have no

doubt that the Minister of Railways (Mr. Dunning), would be quite ready to prove that it should run through the city of Regina, and my hon. friend from Saskatoon would most likely offer proof that it should go through the city of Saskatoon. Even my hon. friend from North Battleford (Mr. McIntosh) would probably be able to prove that it should run through his city. Some of us were discussing this morning where this road should run and we came to the conclusion that the only solution of the problem was to build two highways instead of one.

Mr. RYCKMAN: That is better than none.

Mr. YOUNG (Weyburn): Then, having built two highways, we would have to build another, and then a fourth; and we would be met with demands to build other roads from the boundary to connect with these highways so that the American tourist would have access to them.

Let us consider for a moment what this would cost. The Prime Minister (Mr. Mackenzie King) pointed out this afternoon that the initial cost of a trans-Canada highway would be $200,000,000. The interest alone on that would be $10,000,000 per year, and maintenance would be at least $20,000,000 per year. There is a total sum of $30,000,000 per year for interest and maintenance alone. When you add to that by all the miles and thousands of miles of other roads leading to it, what is going to be the result? If we embark upon a policy of national highways such as is suggested in the resolution we shall find ourselves at the mercy of a rude stream from which we cannot escape. We are told that they have wonderful roads in the United States. We were told yesterday that they spent some $700,000,000 in building roads. It is true that they have beautiful roads, but what is the result? Where are the farmers who are paying for them? We are told that the road tax there amounts to $4 an acre. Do we want to bring about in this country a condition whereby a farmer will be compelled to pay $4, $2 or even $1 an acre road tax?

It is said that the interest and maintenance of a single highway would be $30,000,000; if you add to that maintenance and upkeep of all the other roads leading to it, and the demand for other roads, I predict without fear of contradiction that inside of ten years we shall have a road tax over and above all our present taxes amounting to $100 a family. I wonder how our friends, the Progressive members who are advocating this highway, can go to their constituents, farmers out in the back country who have not a road to market, who cannot get out with their wheat and other produce, and say to them: "No, we could not get you a road; we could not get you a reduction in taxation or a reduction in the tariff, but we have voted money for a fine highway from Ottawa so that we members can ride back in our cars instead of having to ride on the railway."

I notice that a good deal of the support for this resolution comes from the Ontario members. I also heard the leader of the opposition (Mr. Bennett) say that there was a gap of only some 600 miles to complete, and I think he said we were all agreed that the biggest expenditure in connection with this highway would be in Ontario. I can well understand why the members from that province would advocate federal aid for the construction of a highway which would be built almost entirely within their province.

Mr. SPENCE: Would the hon. member expect the province to build that strip of 700 miles of road around lake Superior?

Mr. YOUNG (Weyburn): I am not suggesting that it be built at all, but I say that if this scheme goes through, it will be largely a grant to the single province of Ontario while we in the west shall have to go on with our dirt roads. We shall be told: Oh, they do not cost very much and we will spend our money on the expensive sections in Ontario and British Columbia.

Mr. SPENCE: Nobody advocates that.

Mr. YOUNG (Weyburn): This road if built will inevitably come into competition with our railways. Let us consider for a moment how we are treating our railways. When we want a railway company to build a branch line into a district, the first thing they have to do is to buy the right of way. They have to survey it; they have to grade it; they have to lay down the track. After that they have to supply the equipment and keep it in operation. That having been done, we turn round and build a highway on which we allow motor buses and motor trucks to carry on business in competition with the railway. We make the railway buy the right of way, build the road-bed, keep it in repair and operate it; but when their competitors, the motor buses and motor cars, come along, we say to them: We will give you a road-bed; we will maintain it for you; you can have it absolutely free and you can go and compete with the railway. That policy will lead us to the point where some day the railway companies will come to us and say: "If you want us to continue in business, you will have to put us on an equal basis with our competitor; you will have to buy our right of

way, build our road-bed, maintain and operate it." That will be the result if we embark on this policy of terrific development of highways which, after all, are of service only to visitors to Canada and not to the actual producers in the country. I have heard of families who will spend all their income in entertaining their friends and have nothing left for their children. That is precisely what we are asked to do, namely, to spend all these millions of dollars on tourist roads which will be of little benefit to our people. I am heartily in favour of building market roads for the people of the country who require them in order to get their produce to market, and of leaving these high grade tourist roads to some future time.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I shall occupy but a very few minutes of the time of the house in speaking on this resolution and the amendment thereto. I speak on it because I was present in the house in 1919 when the $20,000,000 grant was made and I gave that grant my support. I desire to offer my congratulations to the hon. member who moved the resolution (Mr. Kellner), and to assure him, as I think I can from what I have heard, that whether or not this resolution carries, if we may accept words at their face value, he has done a very great service to the Dominion of Canada in arousing certain gentlemen on the other side of the house to a sense of their duty regarding extravagance and reckless expenditure in this country, although they have appeared so far to be perfectly callous to all that sort of thing. I noted a remark of the Prime Minister (Mr. Mackenzie King) to the effect that it was all very well for hon. members to give their support to this resolution, and he intimated that that was being done in order that they might make good fellows of themselves, but that it was up to the government to defend the treasury. I wondered at the time whether he was more concerned about the treasury or about making a good fellow of himself when he and his government agreed to raise the salaries of all the deputy ministers in this country.

Some hon. MEMBERS: Not all.

Mr. EDWARDS (Frontenac): Well, all but one or two. I may point out that, in that regard alone, if the proposal goes through, he has committed the country for all time to come to a capital expenditure of $575,000 at 4 per cent. I wonder if he was thinking of defending the public treasury when he was tearing down whole city blocks in order to make parks in this city. I cannot help thinking that a national highway across Canada would probably have done more to advertise this country than tearing down two or three blocks in the city of Ottawa.

Prior to confederation the provinces collected their revenues mainly from customs and excise duties. When confederation was proposed, the question very naturally arose: What will be the source of our revenue? The Dominion proposed to take over the customs and excise and we shall get no revenue from that source. It was understood and agreed at that time that the Dominion government would make use of certain lines of taxation and the provinces of certain other lines. But it was agreed that the Dominion, in view of what the provinces were giving up in connection with such taxes as customs and excise, should pay the provinces an annual subsidy. I believe the subsidy which was thought to be fair and reasonable in 1867 amounted to about 20 or 25 per cent of the total revenue of the Dominion of Canada at that time. There is no doubt that expenses have grown enormously in the Dominion, and some of them very properly so. There is equally no doubt that expenditures have grown, and grown legitimately, in the various provinces. The point I wish to impress upon the house is this, that at confederation it was thought to be a fair proposition to hand over to the provinces about twenty or twenty-five per cent of the total revenues of the Dominion; that was done by way of subsidy. Although I have not figured it out, I venture the statement that if that was considered a good principle to work on at that time, I do not believe that the provinces are receiving by way of subsidy from the Dominion to-day, in lieu of all that they have given up—the right to certain kinds of taxation and so forth—three per cent of the revenues of this Dominion.

It has been said that you may judge the progress of a country by its transportation facilities. In the old days, long before automobiles came into use, there were two main means of transportation, the railway and the canal. All governments in this country have committed themselves to the giving of assistance to railways; that is one way of transporting goods, and they have justified giving such assistance on the ground that the construction of a certain line of railway for the carrying of goods is for the general benefit of Canada. And similarly with the expenditures that the federal government has made on canals. So it is quite proper to take money out of the public treasury to assist in building a road called a railroad, or

in building a transportation line called a canal, if you choose to send your goods by those two means.

But things have changed in the last twenty-five or thirty years. To-day we have automobiles. I venture the statement that if we had had automobiles in those earlier days when governments recognized railways and canals as means of transportation for the general benefit of Canada, the governments of that day would have recognized the motor highway as a means of transportation, just as they did the railways and the canals. The fact is there and cannot be disputed, that in the changed conditions which have arisen since automobiles came into general use, highways are of very great importance, not only in respect of the tourist trade, but in the transporting of goods from one part of the country to another.

Reference has been made by the Minister of Finance to the value of the tourist trade to this country—$200,000,000 a year or more. I think he also said he was informed that the tourists who came into Canada last year consumed over some 15,000,000 pounds of New Zealand butter. He may not have mentioned that it was New Zealand butter, but that, of course, is what he had in his mind. He was, no doubt, working up to a defence of the Australian and New Zealand agreements, getting ready, I presume, for the time when his budget will be brought down.

The resolution asks the government to give consideration to the advisability of constructing a highway across Canada. It is significant at least that those on the government benches who have opposed this resolution and stated their intention of voting against it have, I think without exception, at some time or another favoured the construction of some kind of highway across Canada. I think they appreciate the value that it would be in bringing the provinces closer together and in advertising Canada; but the time, they say, is not opportune.

It has been stated by the right hon. the Prime Minister and by the Minister of Finance that this method of spending money is vicious in principle. The Minister of Finance took the ground that is was not right for parliament to enter upon a line of expenditure the conditions of which would force the provinces, whether they willed it or not, to spend money and consequently raise the taxation of the people. A good deal can be said in favour of that argument. I should like to be able to assume that those who used that argument were sincere in doing so, but I cannot believe that, because the members of the government who have advanced that argument are the very persons who have violated that principle in passing the old age pension act; about that there is no question.

It has been suggested that the building of roads is a matter for the provinces alone, and that therefore the provinces should look after it; it is a provincial matter solely, they say, and therefore we should not interfere in it. I do not agree with that contention, and again I say that those who have advanced that argument have not been consistent. We might say that this government has no right to vote a dollar of money for educational purposes, but it has done so time and again, and in doing so, if you adhere strictly to the rule, it has violated the principle laid down that education belongs, not to the Dominion, but solely to the provinces. We have, in a sense, violated that same principle in regard to other grants made for various purposes. The government consider, for instance, that it would be a good thing to do away with level crossings, but they recognize the fact that you cannot expect people in the particular localities concerned to bear all that expense, so they set apart a sum of money and say: We will assist you. The government also recognized that it would be a good thing to have cold storage plants established here and there throughout the country. They knew that the people of the localities in which they were constructed could not be expected to pay the entire cost of building them, and so the government said: To encourage you we will put our hand into the treasury and give you some assistance. Here we have before the house now the proposal to build a national highway which would be a very great advantage to the whole of Canada. It would advertise Canada throughout the world. It would bring to this country tourists by the thousands who, I believe, would cross Canada from coast to coast and return to their own countries to advertise the beauties of Canada or else to return here and make this country their permanent home. It would have many advantages, and I give this resolution my support because I believe it is a reasonable request to ask that the government should consider, and consider very seriously, the advisability of constructing such a highway across Canada.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, the question which is under discussion is the motion which has been moved by the hon. member for Athabaska (Mr. Kellner). It reads as follows:

Whereas the need for establishment of national highways is greater than in 1919;

And whereas in that year the Dominion government recognized its responsibility in this matter by a substantial grant, which grant is now exhausted;

Therefore be it resolved that in the opinion of this house the government should consider the advisability that a further federal grant be made to cover the next five years' development of highway construction.

And the hon. member for Kindersley (Mr. Carmichael) has moved an amendment thereto, to provide for a national highway across Canada at the earliest possible date.

I am amused, if not surprised, by the tactics of our hon. friends across the way. That men of such commanding ability, many of whom are from the province of Ontario, should think they could put this over the members on this side is something that I can scarcely credit, for I have a higher opinion of their good judgment. I may say that I have a very high regard for the hon. leader of the opposition (Mr. Bennett). I admire his courage and his wonderful political fighting qualities, but I am surprised that he should tackle such a subject at this time. Possibly one of the most difficult tasks in the political life of Canada has fallen to the lot of my hon. friend. To criticize the policies of a government when national affairs are not satisfactory is a comparatively easy matter; but, sir, to argue against the striking degree of success which characterizes the record of this government is difficult indeed. It seems to me that our hon. friends are driven to the last extremity in order to find some excuse for attacking the administration, and consequently they hope by this proposition to draw the wool over our eyes. Take my hon. friend from Parkdale (Mr. Spence), a man of commanding ability. I told him last evening that he had made a splendid speech except for the inherent weakness of his case; he was on the wrong side. He reminds me of that notable character recorded in the "Brownies of Bodesbec" under the name of Wattie Laidlaw. Wattie was a real character in those Scottish days. He was always in trouble and continually appealing to his friends, one of whom would reply, "Aye, Wattie, if ye be in the right I'll help ye." This answer not appealing to his good judgment, he became quite irritated, and stamping his foot on the floor said, "She be's aye talkin' about being in the right, and in the right, but it's no when a man's in the right that he is in need of a frien', but when he is in the wrang." Then my hon. friend from Muskoka (Mr. McGibbon) seconds the attack of his colleague from Parkdale. They are both very much concerned about the farmer's welfare. They remind me of the following rhyme which I once read in a New York journal:

"Stick to the farm", said the president
To the wide-eyed country boy;
Then he hies him away to his White House home
With an air of rustic joy.

"Stick to the farm", said the railroad king
To the lad who looked afar;
Then he hies him away on the double quick
In his rustic private car.

"Stick to the farm", said the clergyman
To the lad on the worm fence perched;
Then he lays his ear to the ground to hear
A call to the city church.

"Stick to the farm," said the doctor wise
To those who would break the rut;
Then he hies him away where appendix grows
In bountiful crops to cut.

An hon. MEMBER: Stick to the resolution.

Mr. SPEAKER: Order.

Mr. McMILLAN: I hope the hon. gentleman remembers the resolution. Would it not suit the opposition most admirably to persuade the government to adopt this proposition to construct a national highway at the earliest possible moment, and then get them in among those six hundred miles of rocks between Sudbury and Fort William about the time that another general election was taken place? In that event, I guarantee that if I was on the opposition side of the house I could go into any constituency in my section of Ontario and defeat them on this one proposition alone. That is why, Mr. Speaker, I cannot believe that hon. gentlemen opposite are in earnest in trying to put this proposition across the house.

An hon. MEMBER: They would lead themselves into a blind alley.

Mr. McMILLAN: Yes; and to-day they would go so far as to suggest that the government whip is being held over us to defeat this resolution. Do not let them think for one moment that men of the calibre of the supporters of this government would tolerate such treatment. We are all agreed that a national highway would be a very good thing for the Dominion, and we would all like to see it constructed, but at the present time it is an impractical undertaking. No government which has the real welfare of this country at heart would entertain the project to-day. My hon. friends from Ontario across the way are always talking about the province being the milch cow of the Dominion. Surely they do not think we are going to support a proposition that would enable the federal treasury to milk us any further.

Notwithstanding all that has been said by hon. gentlemen opposite, I think the Prime Minister took the proper stand when he said this was a proposal that the government should not encourage. I entertained that view long ago. The moment the Liberal government assumed the reins of power early in 1922 I happened to be in correspondence with the right hon. gentleman. That was one of the first matters I took up with him, and I told him that in my opinion when the grant of twenty million dollars was expended no further grant should be made. I do not believe it is good policy to have one government vote money for another government to expend. Certainly every provincial government would desire that no strings should attach to a federal grant; naturally they would prefer to expend the money in any manner they thought fit. So far as Ontario is concerned, with the exception of that one portion of the province where it is practically an impossibility to construct a highway at the present time, we already have our leading highways constructed, and Ontario has done her share of the work for the general advancement of Canada. Therefore I heartily uphold the stand which has been taken by the Minister of Finance and by the leader of the government, that at the present time we should not embark on this project.

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, I am sure that this discussion will keep in the foreground a project which is of national importance. There is no doubt that there are but few members of this house who do not realize the tremendous importance to Canada of the building of a national highway. We have been told by some of the previous speakers of the great benefits that a national highway would confer upon the Dominion, and one of the arguments is that the tourist traffic has brought $276,000,000 into Canada, which amount, it is said, would be greatly increased did we have a national highway. There is also a good deal to be said with respect to the argument that the construction of a national highway would be the means of bringing closer together the people of the east and our Canadians in the west. I am therefore in favour of the principle of a national highway.

But, Mr. Speaker, I must differ with some of our friends on the opposite side on the question of granting subsidies to the provinces for the building of highways. My objection will be obvious to Ontario members who know the situation in northern Ontario. They are aware that north of the Severn river the construction of roads is under the control of the Northern Development Company, and that the money is spent to the satisfaction of the member, provided he is a supporter of the government. There is one reason why I maintain that any project for the construction of a national highway should first be fully considered and all its phases carefully studied. I happen to reside at the front door, so to speak, of the great gap which separates the east from the west and which has so often been referred to as the obstacle in the way of closer communication between the two extremes in Canada. If my hon. friends opposite who advocate the immediate construction of a national highway will stop to think, they will realize that from the city of Sudbury to the boundary of Manitoba there is a stretch of 700 miles of very sparsely settled country; indeed, between Sudbury and Fort William there are but very few residents except at divisional points on the Canadian Pacific. But this great barren area, which has frequently caused visitors to Canada to form a very wrong impression of the vast possibilities of that section of the province, has been declared, by one of those best fitted to pronounce judgment, to contain a greater amount of potential wealth than any other area of its size in the world. And the recent discoveries that have been made and that are being made almost daily lead us to believe that the area in question, this great gap sometimes called the Hump, will in the near future be a source of as considerable wealth as any other part of the Dominion. We believe that in the course of the next ten years we shall have in that section of Canada one of the largest and most prosperous mining areas in the world. This section of Ontario is one which will have to be traversed by the international highway. But anyone familiar with the situation must realize very well that over this territory covering some 700 miles, sparsely settled, where we have practically six months of intensely cold weather, such a highway will cost a tremendous amount of money and will be of use only to tourists travelling east and west. So that before any such undertaking is contemplated by any government we shall have to wait until this development has taken place which we foresee in the near future. It will then be time to determine where this highway shall be located. Is there any member of this house who would propose at the present time to construct a national highway from Cochrane to the boundary of Manitoba? Has anyone considered what the cost of main-

tenance would be of a road from Sudbury to Fort William? These are factors that enter into the discussion, and I am prepared to accept the declaration of the Minister of Railways (Mr. Dunning), that in time we shall evolve a system which will provide us with a national highway from the Atlantic to the Pacific.

Mr. JEAN FRANCOIS POULIOT (Témiscouata): I listened with a great deal of interest to some of the speeches delivered on this resolution, and the fact that strikes me is that highways are very useful to tourists, especially tourists coming from across the border. Several years ago I was rather in favour of this idea, that if the provincial governments decided to contribute a certain sum towards the improvement and upkeep of roads, an additional amount should be subscribed by the federal government. But since then things have changed a lot. In the province of Quebec some very important roads are under the entire control of the provincial government and the municipalities have nothing to pay for their upkeep. It is a considerable improvement, on which my friend the Minister of Roads of Quebec, the Hon. Mr. Perron, is to be warmly congratulated. This is a burden which has been taken off the shoulders of the municipalities of the province of Quebec, and I hope that the other provinces will follow that very good example.

There is another matter to which I should refer; it is this: in the upkeep of roads a great improvement has been achieved from the profits derived from the sale of liquor in the provinces. A few years ago the province of Quebec started the practice of having liquor sold by the province instead of by private individuals, and, with the exception of the two provinces of Prince Edward Island and Nova Scotia, liquor is now sold by all provincial governments. These provinces derive a substantial profit from this sale, which profit is applied to provincial expenditures and especially to education and the construction of good roads. This is the practice in Quebec under the direction of Mr. Perron, the very able Minister of Roads.

Here is the point: Is this federal government to nurse every new movement in the provinces? Are we to have a minister of highways at Ottawa and a minister for everything else belonging to the provinces? I think the idea is absurd, and I do not think the rights of the provinces should be interfered with by any action of this government.

To sum up, Mr. Speaker, I believe this matter belongs exclusively to the provinces. Quebec has led the way and I think the other provinces should follow. Now that the different provinces are getting substantial profits from new sources of income I think it should be quite easy for them to look after the improvement and upkeep of roads. There might be some help from this government, but I think a national highway when it is built should be constructed by the provinces interested in the project.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, I do not intend to delay the house very long on this question. The amendment states that we should construct as expeditiously as possible an all-Canadian highway from coast to coast, and I think it would be very undesirable to have this house pass that amendment to-night. The good old Book says that no man buildeth a house without first considering the cost, and I think it would be extremely unwise for us to instruct the government to build a national highway with federal funds without first knowing anything about the cost or the conditions under which it would be built. I am quite in sympathy with a national highway, and I think the government would be well advised to look into the matter seriously and without the usual political platitudes, but I am afraid I cannot support the amendment.

I am sorry that this appears to have become a party question. One of the leading Liberal papers in the province of Alberta contained a very timely editorial yesterday in which it said it was glad to see that on several questions in this house party politics had been abandoned, and for that reason men were able to speak as they thought and vote as they felt without any party club being held over them. The conclusion was drawn that the country at large was thereby much better off. I fully agree with that idea, and I think it would be a very good thing to give our attention to the merits of these questions irrespective of how they may affect the different parties.

With regard to the resolution moved by the hon member for Athabaska (Mr. Kellner), I do not see why the Prime Minister (Mr. Mackenzie King) should endeavour to place a construction upon it which is not embodied in the resolution itself. I could very well vote in favour of the suggestion that the Dominion government should consider the advisability of such a highway, and I think that is what was meant by the hon. member. When the Prime Minister endeavoured to lead the house to think that by voting for the resolution we were committing the government to some expenditure, I rather differed

with him; I do not think it quite right to read into a resolution something not intended to be there. Let us take the words as they are and put our own construction upon them.

However, there is a further point to be considered; I believe the resolution itself is contradictory: It says:

Whereas the need for establishment of national highways is greater than in 1919;

That is true; that need increases yearly, but the next statement is not correct:

And whereas in that year the Dominion government recognized its responsibility in this matter by a substantial grant, which grant is now exhausted.

If I know anything about that grant it was not given for the construction of national highways. When that money was given the provincial government of Alberta they did not attempt to build a national highway; it was not in the minds of the provincial department or the people that the money was so intended. If that were the intention we have erred; the Dominion government inspectors have erred and should be brought to task, because almost all the new roads in Alberta were built from north to south rather than from east to west. There were certain conditions attached to the granting of this money, and these conditions being fulfilled the government built the roads north and south, first to Calgary and then to the boundary line. It was a highway grant and did not in any way commit the Dominion government to a national highway.

Mr. KELLNER: Does not my hon. friend think all highways are national highways?

Mr. ADSHEAD: It seems to me that is begging the question. The general interpretation placed upon a national highway is that expressed in the amendment of the hon. member for Kindersley (Mr. Carmichael), a highway from coast to coast. In one sense of the word it might be said that every act passed by this house is more or less of a national character by its effect and reaction, but I do not think it a fair interpretation to say that every highway built by a municipality or a province is a national highway.

I have said that the Dominion government was not committed to a national highway project by the grant of 1919. I think in consideration of these facts and in consideration of the rather ambiguous wording of the resolution in that it wrongly states that the Dominion government is committed to a national highway, I cannot support either the resolution or the amendment.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, previous to disposing of the present motion, I think that this parliament should first consider the opportunity of putting in order its own house before helping our neighbours. In fact, we have large yearly obligations which our budget shows amount to $391,000,000. Our national debt still amounts to $2,400,000,000, notwithstanding the wise administration of the present government. I therefore think it would be adding too heavy a burden on the shoulders of the Canadian ratepayers were we to undertake new obligations. It would also be, in my humble opinion, an attempt against the exclusive jurisdiction of the provinces. The provinces should legislate in regard to good roads and not the Dominion government, the former collect from the ratepayers the tax on gasoline, and motor-vehicle licenses. They should therefore build and bare the upkeep themselves of their roads. Let me point out, as an example, to this house the large and beautiful province of Quebec whose magnificent national road system is the envy of all tourists who visit us during the summer season. Let me further add a word of praise with reference to a distinguished ex-premier of Quebec, the Hon. Sir Lomer Gouin, who inaugurated that truly progressive policy of our good roads. Let me also recall the truly patriotic attitude of his successor, the Hon. L. A. Taschereau, who still carires on that good and sound policy. Finally I wish to particularly mention the Hon. Mr. Perron, Minister of Provincial Highways. It is due to his care, foresight and energy that our national highways are an object of pride to the good old province of Quebec. The Quebec minister of roads intends to further spend $17,000,000 this year. Therefore, I am of the same opinion as the hon. member for St. Denis (Mr. Denis) who certainly delivered a remarkable speech in this house, and I think that each province should follow the example of ours and that we should not apply to the Dominion government to build our national highways.

A short while ago, I heard the hon. member for Frontenac-Addington (Mr. Edwards) trying to compare the object of the present motion with the Old Age Pensions Act. I think that this comparison has no foundation in fact since, at present, each province has its legislation on the building of good roads while the Old Age Pensions Act has not yet been adopted by all the provinces. I say, sir, that the question is an entirely different one and I humbly ask the house to consider on its merits.

Therefore, Mr. Speaker, for all these reasons and many others which have been so forcibly and well put before this house by members who have preceded me, I shall be obliged to

vote against the present motion if the hon. member for Athabaska (Mr. Kellner) insists on a vote.

Mr. GEORGES L. DIONNE (Matane) (Translation): Mr. Speaker, I had no intention of taking part in the present debate, but seeing how it has broadened out, I think it is my duty to make a few remarks. First, I wish to state that I shall make use of my maternal tongue and not of Shakespeare's language because it is not only our right but our privilege. Should anyone find fault, I will simply tell him "Honi soit que mal y pense."

Now, sir, I can well imagine a highway not only laid out or projected, but opened to traffic from a point on the Pacific coast, crossing every province of Canada and reaching a point on the Atlantic coast. I can imagine the splendid vista, the beautiful plains it would cross; I can visualize lofty mounts, splendid chains of mountains, vast forests and magnificent waterways strewn along its route. I realize also the pleasure felt by the tourist following this highway through a country replete with so varied and splendid panorama. However, on the other hand, I consider that the necessary expenditure for the construction of such an extensive road and the realization of such a scheme would be enormous, notwithstanding all the pleasure and advantages which would accrue to those who could afford the luxury of such a trip undertaken at various times. Let me say, sir, that the conception of such a highway was a happy one. I shall not take up the constitutional aspect of the question, it was discussed by experts. I shall neither search the British North America Act to find out whether the Dominion parliament should interfere in this business of building and opening up a highway, however, I shall abide by what has been done, for in Quebec this matter is closely looked after by the provincial legislature and we must add to the credit of our province that numerous, wide and well built roads that cross it in every direction, and that United States tourists or those of our other provinces, who have the opportunity of motoring over them, find that we have splendid and well paved roads and very interesting spots to visit.

I do not wish, sir, to further delay the house as this question has been sufficiently discussed. In closing my remarks I must take into consideration the views of those who will be called upon to pay the enormous amount necessary to build this highway and the large sums which he will be asked for its maintenance. Under these circumstances, I state that our financial situation does not allow us to grant subsidies for such undertakings. Therefore, I shall deem it my duty to vote against the motion of the hon. member for Athabaska.

Mr. KELLNER (rising):

Mr. HUGH ALLAN (North Oxford): Mr. Speaker, I wish to deal briefly with the subject matter of the debate before—

Mr. SPEAKER: The hon. member (Mr. Kellner) has the floor.

Mr. D. F. KELLNER (Athabaska): When I moved this resolution, Mr. Speaker, I did not expect that it would give rise to such a long or so interesting a debate. I am a little amused at the tactics adopted by the government and their supporters. We have discussed this motion more or less regularly for two days, during which time three of the ministers made very short speeches but the rest of them remained mute. However, this afternoon some inspiration seemed to have taken hold of the party and they came out and gave us expressions of their opinions.

The Prime Minister (Mr. Mackenzie King) complains about the members in opposition to the government and the independent members moving resolutions early in the session involving large expenditures, and then coming back later and moving resolutions condemning the government for making large expenditures. I submit, Mr. Speaker, that that is precisely what we are here for. If we have not the privilege of criticizing expenditures or, on the other hand, offering suggestions to the government as to where the public money should be spent, I fail to see where we would be doing any good by being present in this house. The government have sufficient support on their benches to put through any measures they want to, and unquestionably if we have not the privilege of criticizing them we are of no use here.

When I introduced this resolution I pointed out to the house that it came to me from the United Farmers of Alberta; that many members on both sides of the house had spoken in favour of it; that I had received quite a number of letters and telegrams from private individuals recommending it, and that a few days before I introduced it the hotelkeepers' association had sent me a resolution in favour of it. When the hon. Minister of Finance (Mr. Robb) spoke on this question he mentioned the hotelkeepers' association, but left out all reference to any other association; the right hon. the Prime Minister did the same thing this afternoon. I submit, Mr. Speaker, that the only reason they did that was to create a reflection against that organization, which would also include myself. I have no

hesitation in saying that in my humble opinion I would be in just as high company with that organization as I would be with the Liberal party.

There are many members supporting the Liberal government to-night who have spoken in favour of just such an expenditure as this. In fact, the government do not know whether or not they are in favour of it. The Prime Minister stated that if the resolution means what it says, the government would adopt it; I say to him that it says what it means. The Minister of Railways and Canals (Mr. Dunning) says that it is unconstitutional, and the Postmaster General (Mr. Veniot) is opposed to it. Where does the government stand? The Minister of Railways and Canals says it is unconstitutional, and in proof of that he submits the statement that when the debate was in progress in 1919 some Liberal members from the west said so. That is not sufficient authority; personally I would not accept that as a very high authority and I do not think the people at large will do so.

A good deal of discussion has developed as to whether we are to have a national highway or whether we are to assist the various provincial governments. My contention is that under the resolution either method can be adopted, and I do not believe that the time to decide that question is during this debate. The logical course to follow would be to make a definite declaration as to whether or not we are in favour of giving any assistance and if we are in favour of giving assistance, when the legislation, if the assistance be provided in that way, is brought before the house, the house would then determine what action should be taken.

I want to make one statement in regard to a criticism which has been offered with respect to assisting provincial governments. Practically all the road building machinery that is in Canada to-day is owned by provincial governments and practically all the men who are constructing highways to-day are in the employ of provincial governments. It seems to me that it would be very desirable to make use of that machinery which is now being used by the provincial governments. Of course, as the Prime Minister says, it is one government voting the money and another spending it. They are not spending it without some supervision. Unquestionably all the money that was spent under the 1919 legislation was supervised by the federal government and their engineers approved it all. I presume a similar method could be followed upon this occasion.

It has been stated that the house should not pass legislation with a string to it, and

that was one point on which the Minister of Railways waxed quite eloquent. He even went so far as to say that when we took this money to the provincial governments they did not want to accept it. I imagine, if he had been as picturesque as he sometimes is, he would have told us that they wrapped it up in a nice little parcel and begged the provincial governments to take it, and for three or four years some of them refused. But he did not tell us why they refused. The legislation provided that 40 per cent would be spent by the federal government and 60 per cent by the provincial government, and the regulations provided that the provincial government would be at the bottom, and the federal government would be on top. It is therefore not surprising that the provincial governments would have to do their part first and I think beyond the shadow of a doubt the provincial governments would have to refuse to take the money until they had their roadbed ready. Saskatchewan was probably the last province to take the money under this grant. I do not think they received any of it until 1923 and possibly until 1924. The reason was this and no other, that that province did not have a mile of road on which they were justified in making application for assistance until the time they made the application.

While we are discussing the matter of having nothing to do with the provincial governments, I should like to make reference to a question that was asked in the house on February 27 of last year. The hon. member for West Kootenay (Mr. Esling) asked this question:

> Did the federal government or any department thereof, enter into any agreement with the government of British Columbia, during the year 1927, for the survey of the road between Revelstoke and Golden in British Columbia? If not, has an agreement for such a survey in the present year been arranged for?

The Minister of the Interior (Mr. Stewart) replied:

> The subject is under discussion.

It is all right for the ministers to argue that we should have nothing to do with the provincial governments, but evidently they have changed their opinion since last year because then, according to the statement of the Minister of the Interior, they did have undertakings with the British Columbia government. I wonder whether the incentive has changed since then, whether that government is entitled to more consideration than some of the others.

I might quote many hon. members who have spoken in the house in favour of this

matter. The hon. member (Mr. Gardiner), who leads the group to which I belong, discussing this matter last year, spoke in favour of it. He said that in his opinion the grant should be renewed. I will not read his words. The hon. member for Swift Current (Mr. Bothwell) also spoke in favour of it. He said:

> I believe an appropriation such as was made in 1919 is within reason and would assist materially in regard to highways.

And he recommended that it be passed. The hon. member for Macdonald (Mr. Lovie) made almost the same statement. He said:

> As the provincial governments of the prairie provinces are embarking upon quite an extensive programme of highway construction, something which is long overdue, I would ask the Dominion authorities to vote this session a substantial sum of money to be paid over to the different provinces.

I might quote many more hon. members who from time to time have asked that this work be proceeded with. To argue in the house that this is not constitutional; that you are voting against it because you do not favour the method that is asked for in the resolution, is not dealing with the question in an honest and intelligent manner. Parliament should be in favour of some assistance, or it should be opposed to it, and it should be the duty and privilege of hon. members to vote on that issue without any attempt to draw this red herring across the trail. The resolution does not state in which way the expenditure is to be made. That is something that could be left to the house to decide at a later date. As regards the statement that it is unconstitutional, the government could do anything they saw fit with the money, provided, of course, they have a majority behind them, as they always have. They could even pass legislation to give it to the Minister of Railways or one of the other members of the cabinet, and that would be constitutional. I do not think there is a question in the world that that is a view which is not seriously advocated by those who are supporting the government.

An hon. member asked how we could face our constituents after having asked the government to get behind this resolution. Why do not those hon. members who were out west weeping tears of sympathy on the shoulders of the poor farmer support this resolution and help construct a highway such as it asks for, leaving the provincial governments to take care of the backwoods farmers that they are so solicitous about?

There is a clear-cut question before the house, one that resolves itself into something really worth while for Canada. There is an opportunity to-night either to take the initial step in bringing such a constructive program into effect, or to kill it entirely. I have not the slightest doubt that there are hon. members who intend to crucify it, and possibly that decision has been arrived at not by themselves as a matter of individual opinion, but in some little conference which has taken place outside of this chamber. I think that is the intention, beyond a doubt. But in closing let me ask them to explain the matter fairly when they go before their constituents. There is little to be gained by trying to becloud the issue, by arguing that you are in favour of road construction, but that you do not favour the particular brand the resolution calls for, and therefore you are going to vote against it—with the result, I presume, that you will have no policy whatever.

Mr. HUGH ALLAN (North Oxford): Mr. Speaker, I feel that much has been said in the course of this debate which will impress upon the people of Canada not only the importance but the desirability of the construction of a transcontinental or national highway. I am in perfect sympathy with the principle of the construction of a national highway, not only as facilitating the means of intercommunication, but as promoting a clearer understanding and a closer relationship among the citizens of this great country. But while many things are desirable in connection with the development of this country, it does seem to me that they are not always at the moment economically practicable, and in my humble opinion the immediate and pressing need of the people of this Dominion is the construction of roads in our rural districts to facilitate the marketing of the products raised in our great agricultural areas.

The resolution calls upon the government to make grants for the construction of a national highway, which would indicate, as I think is quite apparent to every member of the house, that the provinces would also be called upon to contribute their fair share. In view of the commitments already made by this government in connection with our transportation facilities, in view of the insistent demand throughout our rural districts for the construction of roads, and in view of the extensive program of road building being carried on by our provinces to-day, to which the municipalities are called upon to contribute, I feel that our people are taxed the limit and I am obliged to associate myself with many members of the house who are opposed to this resolution at the present time.

The house divided on the amendment (Mr. Carmichael) which was negatived on the following division:

YEAS

Messrs:

Anderson (Halton),
Arthurs,
Barber,
Bell (Hamilton West),
Bell (St. John-Albert),
Bennett,
Black (Yukon),
Bowen,
Brady,
Campbell,
Cantley,
Carmichael,
Casselman,
Chaplin,
Charters,
Church,
Clark,
Cotnam,
Cowan,
Dickie,
Edwards (Waterloo South),
Ernst,
Esling,
Fansher (Last Mountain),
Fraser,
Gardiner,
Garland (Bow River),
Geary,
Grimmer,
Harris,
Hocken,
Hubbs,
Irvine,
Jelliff,
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
Ladner,
Lawson,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
McRae,
Maloney,
Manion,
Matthews,
Maybee,
Peck,
Plunkett,
Price,
Quinn,
Rennie,
Ross (Kingston City),
Ryckman,
Ryerson,
Senn,
Short,
Simpson,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Speakman,
Spence,
Spencer,
Spotton,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Tummon,
White (London).—81.

NAYS

Messrs:

Adshead,
Allan,
Auger,
Bancroft,
Beaubien,
Benoit,
Bettez,
Bissett,
Blanchard,
Blatchford,
Bock,
Boivin,
Bouchard,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowman,
Bradette,
Brown,
Cahill,
Cardin,
Casgrain,
Cayley,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Dubuc,
Dunning,
Dussault,
Edwards (Ottawa),
Elliott,
Euler,
Evans,
Fafard,
Fansher (Lambton East),
Ferland,
Fiset (Sir Eugene),
Forke,
Foster,
Gershaw,
Gervais,
Girouard,
Glen,
Goulet,
Gray,
Hall,
Hay,
Heenan,
Hepburn,
Howden,
Jenkins,
Johnston (Long Lake),
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Lapierre,
Lavigueur,
Letellier,
Lovie,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Parent,
Perras,
Pouliot,
Power,
Prévost,
Ralston,
Robb,
Robitaille,
Ross (Moose Jaw),
St.-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Thorson,
Tobin,
Totzke,
Vallance,
Veniot,
Verville,
Ward,
Young (Saskatoon),
Young (Weyburn).—108.

PAIRS

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

Messrs:

Rinfret,
Cannon,
Bothwell,
Fontaine,
Smith (Stormont),
Kay,
Ilsley,
Rutherford,
Duff,
Cahan,
Edwards (Frontenac),
Embury,
Anderson (High Park),
Pettit,
Wilson,
MacNutt,
Gott,
Guthrie.

Mr. RINFRET: I was paired with the hon. member for St. Lawrence-St. George (Mr. Cahan). Had I voted I would have voted against the amendment. I may add, by way of explanation, that although this is a motion of a private member, the hon. gentleman asked me to extend our pair to it.

Mr. GOTT: I was paired with the hon. member for Kent (Mr. Rutherford). Had I voted, I would have voted for the amendment.

Mr. EDWARDS (Frontenac): I was paired with the hon. the Solicitor General (Mr. Cannon), otherwise I would have voted for the amendment.

Mr. EMBURY: I was paired with the hon. member for Swift Current (Mr. Bothwell). Had I voted, I would have voted for the amendment.

Mr. ANDERSON (High Park): I was paired with the hon. member for Hull (Mr. Fontaine). Had I voted, I would have voted for the amendment.

Mr. PETTIT: I was paired with the hon. member for Stormont (Mr. Smith). Had I voted, I would have voted for the amendment.

Mr. WILSON: I was paired with the hon. member for Brome-Missisquoi (Mr. Kay). Had I voted, I would have voted for the amendment.

Mr. ILSLEY: I was paired with the hon. member for Colchester (Mr. MacNutt). Had I voted, I would have voted against the amendment.

Mr. SPEAKER: The question now is on the main motion. Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Same division.

Mr. EVANS: Mr. Speaker, while I voted against the amendment, I intend voting for the resolution.

Mr. SPEAKER: Take the division.

The house divided on the main motion (Mr. Kellner) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Anderson (Halton),
Arthurs,
Barber,
Bell (Hamilton West),
Bell (St. John-Albert),
Bennett,
Black (Yukon),
Bowen,
Brady,
Campbell,
Cantley,
Carmichael,
Casselman,
Chaplin,
Charters,
Church,
Clark,
Cotnam,
Cowan,
Dickie,
Edwards (Waterloo South),
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fraser,
Gardiner,
Garland (Bow River),
Geary,
Grimmer,
Harris,
Hocken,
Hubbs,
Irvine,
Jelliff,
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
Ladner,
Lawson,
Lovie,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
McRae,
Maloney,
Manion,
Matthews,
Maybee,
Peck,
Plunkett,
Price,
Quinn,
Rennie,
Ross (Kingston City),
Ryckman,
Ryerson,
Senn,
Short,
Simpson,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Speakman,
Spence,
Spencer,
Spotton,
Steedsman,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Tummon,
White (London).—85.

NAYS

Messrs:

Allan,
Auger,
Bancroft,
Beaubien,
Benoit,
Bettez,
Bissett,
Blanchard,
Blatchford,
Bock,
Boivin,
Bouchard,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowman,
Bradette,
Brown,
Cahill,
Cardin,
Casgrain,
Cayley,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Dubuc,
Dunning,
Dussault,
Edwards (Ottawa),
Elliott,
Euler,
Fafard,
Fansher (Lambton East),
Ferland,
Fiset (Sir Eugene),
Forke,
Foster,
Gershaw,
Gervais,
Girouard,
Glen,
Goulet,
Gray,
Hall,
Hay,
Heenan,
Hepburn,
Howden,
Jenkins,
Johnston (Long Lake),
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Lapierre,
Lavigueur,
Letellier,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Parent,
Perras,
Pouliot,
Power,
Prévost,
Ralston,
Robb,
Robitaille,
Ross (Moose Jaw),
St.-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Thorson,
Tobin,
Totzke,
Vallance,
Veniot,
Verville,
Ward,
Young (Saskatoon),
Young (Weyburn).—104.

PAIRS

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

Messrs:

Rinfret,	Cahan,
Cannon,	Edwards (Frontenac),
Bothwell,	Embury,
Fontaine,	Anderson (High Park),
Smith (Stormont),	Pettit,
Kay,	Wilson,
Ilsley,	MacNutt,
Rutherford,	Gott,
Duff,	Guthrie.

Mr. RINFRET: I was paired with the hon. member for St. Lawrence-St. George (Mr. Cahan). Had I voted I would have voted against the motion.

Mr. GOTT: I was paired with the hon. member for Kent (Mr. Rutherford). Had I voted, I would have voted for the motion.

Mr. EDWARDS (Frontenac): I was paired with the hon. the Solicitor General (Mr. Cannon); otherwise I would have voted for the motion.

Mr. EMBURY: I was paired with the hon. member for Swith Current (Mr. Bothwell). Had I voted, I would have voted for the motion.

Mr. ANDERSON (High Park): I was paired with the hon. member for Hull (Mr. Fontaine). Had I voted, I would have voted for the motion.

Mr. PETTIT: I was paired with the hon. member for Stormont (Mr. Smith). Had I voted, I would have voted for the motion.

Mr. WILSON: I was paired with the hon. member for Brome-Missisquoi (Mr. Kay). Had I voted, I would have voted for the motion.

Mr. ILSLEY: I was paired with the hon. member for Colchester (Mr. MacNutt). Had I voted, I would have voted against the motion.

ELECTRICITY AND FLUID EXPORTATION ACT AMENDMENT

Mr. H. A. STEWART (Leeds) moved the second reading of Bill No. 15, to amend the Electricity and Fluid Exportation Act.

Some hon. MEMBERS: Carried.

Mr. STEWART (Leeds): Mr. Speaker, I assume—

Mr. SPEAKER: I understand the motion is carried.

Some hon. MEMBERS: Carried.

[Mr. Speaker.]

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Export of power.

The CHAIRMAN: Shall section 1 carry?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Shall the title carry?

Some hon. MEMBERS: Carried.

Section agreed to.

Bill reported.

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

Some hon. MEMBERS: Now.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

PROPOSED REFERENCE OF ESTIMATES TO COMMITTEE

Mr. H. E. SPENCER (Battle River) moved:

That, in the opinion of this house, the estimates should be referred to select committees before being submitted to the committee of the whole.

Mr. SPEAKER: This resolution is out of order, since the same subject already has been discussed during this session, and the matter has been referred to the select standing committee on standing orders. I understand that the hon. gentleman is willing to withdraw the motion.

Mr. SPENCER: I placed this resolution on the order paper before the government decided to bring the matter before the house in another resolution, which was sent to the committee on standing orders. As the government resolution covers the subject matter herein dealt with, I beg leave to withdraw the motion.

Motion withdrawn.

NATIONAL DEFENCE

CONSCRIPTION OF NATURAL RESOURCES AND SERVICES

On the notice of motion being called:

Mr. IRVINE:

Whereas it is the existent policy of this country that reasonable preparation should be made for self-defence in case of any war involving Canada;

And whereas, such preparation, if undertaken, should be both adequate and of such a character as to make war less likely to occur;

Therefore be it resolved that, in the opinion of this house, it is advisable that legislation be enacted providing that on the declaration of war involving Canada, all natural resources and essential services, including transportation facilities, industrial plants, and commercial and financial agencies, should automatically be conscripted for national service for the duration of the war.

He said: I would like this motion to stand for to-night, but I would like it to retain its position on the order paper.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend will have to follow the rules of the house. He may proceed now if he wishes, but if he does not do so his resolution must follow the course laid down by the rules.

Hon. R. B. BENNETT (Leader of the Opposition): The hon. member must commence the discussion in order that the resolution may retain its place on the order paper, even though he adjourns the debate.

Motion stands.

ST. LAWRENCE WATERWAY

DEVELOPMENT OF WATER-POWER AND IMPROVEMENT OF NAVIGATION

Mr. T. L. CHURCH (Toronto Northwest) moved:

That, in the opinion of this house, immediate action should be taken, without further and unnecessary delays, to enter into a treaty with the government of the United States for the immediate development and generation of water-power on the St. Lawrence river and its deepening and development in the interests of navigation, and that a great St. Lawrence waterway is an immediate and economic necessity for the welfare and best interests of Canada.

And that this house is further of the opinion that the government should undertake the construction and operation of this canal as a public undertaking itself and the power incident herein should be developed and generated at cost by the government for the people under public ownership and not alienated to private interests for gain or exported for use outside Canada.

He said: Mr. Speaker, I must apologize to the house for bringing up this matter so late in the evening; I asked the Prime Minister to allow it to stand but he would not do so, and I protest against this treatment.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not think I should be put in the position of appearing to have control of the rules of the house. A moment ago when another hon. member asked that a motion be allowed to stand, I had to tell him that it could not and hold its place on the order paper. I am seeking to follow the practice that certain rules, having been adopted by the house, so far as it is within my power those rules are to govern without fear or favour in any direction.

Hon. R. B. BENNETT (Leader of the Opposition): I wish to associate myself with those sentiments.

Mr. CHURCH: The other evening at twenty-five minutes after ten the hon. member for St. Lawrence-St. George (Mr. Cahan) was allowed to rise and move the adjournment of the debate on titles till next day, and I wish the Prime Minister would play fair with all the members of this house.

Mr. MACKENZIE KING: My hon. friend can move the adjournment of this debate and I will consent to it.

Mr. CHURCH: I will not move the adjournment now; the Prime Minister is not so cunning as he thinks he is. If I move the adjournment now the motion will go to the foot of the order paper and will not be heard of again. I am not going to throw out any life-lines to the government on the St. Lawrence waterway. The Prime Minister has run away from this often enough.

Mr. MACKENZIE KING: I think I should inform the house that I saved this resolution from being dropped altogether by letting the hon. member know that if he did not proceed to-night in accordance with the rules his resolution would be dropped completely. His remarks now are the measure of the thanks I am receiving.

Mr. CHURCH: The Prime Minister is very fond of technicalities; I know the rules; he has played with the St. Lawrence and cheap light and power movement in Ontario long enough. I am very much surprised to find myself deserted in my efforts. In the days of Sir James Whitney and Sir Adam Beck we had a provincial government in Ontario that was up and doing, fighting the battles of the cheap light and power movement and of the taxpayer and fighting to preserve the water-powers of Ontario for the people, but the other evening when this Beauharnois proposition came up we had the sad spectacle of some members representing hydro constituencies of western and central Ontario too proud to record their votes. The government want to deal with the St. Lawrence waterway piecemeal in order to make a football of the matter as has been done in the past by both parties more or less.

The other evening I was passed an anonymous note; some member thought I did not know that I could bring in a bill under

section 12 of the Navigable Waters Protection Act. I did know that a few months ago, when I saw that the promises made by the government on May 11 last were not going to be carried out. At the close of that debate the vote was 56 to 54 against the six months' hoist; Conservative members and almost the whole Progressive party voted in favour of the hoist because they did not want any interference with navigation and did not want a power grab to destroy the St. Lawrence waterway. That session was no sooner closed than those gentlemen who, in season and out of season, through the press, on the public platform and by their lobbyists in Ottawa have been trying to grab the water powers of the St. Lawrence from the people and prevent them from having a deeper canal and waterway, got busy and asked for a permit under the Navigable Waters act. I must protest against this treatment; I am sorry there are not more hydro leaders like Sir Adam Beck in Ontario to-day. There are some members on this side of the house from the counties surrounding the city of Toronto who are too proud to record their votes, let alone to fight for the principles for which they have been sent down here and so are some of the former hydro newspapers. We have lost our hydro leader, Sir Adam Beck. It reminds me of the retreat of Sir John Moore at Coronna. The hydro is in that position to-day, and I hope in the last extremity we may yet be able to turn around and save our cause before it is too late.

The principle of this resolution was unanimously adopted by the Ontario legislature a few years ago, in the following words:

> The legislature hereby affirms its belief in the wisdom, from a commercial and economical point of view, of improving navigation facilities of the St. Lawrence river so as to permit ocean vessels drawing twenty-five feet of water to enter and navigate the great lakes, and also to undertake the development of the power at present wasting in the St. Lawrence river rapids.

There has been a great change in Queen's Park, Toronto, since the days of Sir James Whitney and Sir Adam Beck when this resolution was introduced and passed. This has been due to the convention held in the city of Winnipeg where a resolution was passed over the heads of the delegates and no one was allowed to address the chair on it. I appeared in opposition to it but was ruled out of order by the chairman, and no one was given a chance to discuss it. I believe that resolution was written by the power interests in the Conservative party in the city of Montreal who were running this part of the program. Their object has been to destroy the hydro-electric movement in the province of Ontario.

The 262 hydro municipalities of the province of Ontario have spent over $300,000,000 for hydro-electric development, but they have given to the people of the province electric power at cost. They have cut the charge for commercial lighting in three and for domestic lighting in four. I am surprised that there are members on this side of the house who will not rise in their seats to support this St. Lawrence cause and resolution. So far as I am concerned I will appear on the platform against any candidate in the province of Ontario, whether a Liberal or a Conservative, to fight for the hydro-electric movement and save our cause, because I am a cheap-power-and-light man.

I represent a city that is the largest public ownership city for its population on the continent of America. That city has elected members of parliament to stand up for the principles of the hydro-electric movement and public ownership of utilities, but I am sorry to say there are many members from the province of Ontario representing both the Conservative and Liberal sides of this house who are afraid to rise in their places and support this motion and stand for the St. Lawrence waterways. If the party is divided I am not and will stand fast for my principles. Sir James Whitney was not too proud to fight for the hydro even though there are people to-day in Queen's Park who have gone back on the St. Lawrence development. Sir James Whitney and I were not too proud to stand up on many platforms in Ontario with Sir Adam Beck in support of it, and we got the support of many Liberals in this particular movement in the years of battles for hydro progress. The Conservative party launched this movement in 1905, but now we seem to be at the parting of the ways in the St. Lawrence development. They are buying power now from the Gatineau, and I believe the Ontario government are prepared to buy power from this particular Beauharnois company. While I like and admire Mr. Ferguson I hope he will stand by the St. Lawrence improvement.

This particular question has been made a political football by the present government. When the Prime Minister visited the county of York and other places in Ontario he did not hesitate to say the Conservative party ruled very largely by orders in council. Where does he stand to-day? We have a government to-day that represents the big interests of this country, and I say that without fear of contradiction. I have seen these interests

around these legislative halls for many months; I have seen them in the gallery here on many occasions. They are here to get their Beauharnois permits from the Public Works department which will forever ruin this waterway. What kind of government have we to-day? We have a government that is being governed by the law courts; they refer every large problem that comes along to the courts. The St. Lawrence waterway, the Alberta provinces, the Beauharnois power, the Seven Sisters falls; all these questions are on all fours. This waterways question is the greatest economic problem we have on the North American continent to-day, and the party that takes up this problem and considers and solves it from the economic standpoint is going to rule Canada for many a day. I am surprised that in a party that has such a large following in the province of Ontario as the Conservative party there are so few who are willing to stand up and nail their colours to the mast for this great improvement.

When this matter was referred to the supreme court the provinces were not asked to cooperate and give their opinions on it. They were not asked to help prepare the questions, and as a result, the supreme court has handed down a decision which does not settle the matter at all. The reference to the supreme court was made about March 12th last, but the hearing did not come on until late in the fall and the decision was not given until about three weeks ago. The questions asked might just as well have been returned by the courts to the house unanswered, because they do not cover the points at all.

I ask the government to lay all their cards on the table with reference to this particular application. They say it is a question of law, like the Alberta resources, which we were not allowed to discuss for two or three years. The same stand has been taken regarding the St. Lawrence waterway. If the government wish to show their good faith they should appeal this decision of the supreme court and take it to the privy council. Are they going to have the question referred back to the supreme court on a reference de novo, and have a meeting of the provinces to prepare new questions?

It was contended before the Department of Public Works that parliament had nothing to do with a permit for taking 40,000 cubic second feet from the river. They are complaining about Chicago taking 10,000 feet and it is reducing the level of the lakes by a couple of feet in some places, according to the report of their own public works department. What will be the result when they take 40,000 feet of water that passes the doors of Ontario on its way to Quebec at Beauharnois and utilize it further down the river for power purposes? It is most preposterous. If we had any of the old time Liberals such as Baldwin, Lafontaine and George Brown, they would be Liberals who would stand up for the principle of protection to-day for the natural resources and water-powers belonging to the people.

This matter has always been treated as a question of law. We might as well go home for all we are doing in this parliament when any economic problem is brought up in the house. Every large economic problem is made a football of in the house—the Alberta resources, good roads, this particular debate and everything else and the courts are the life-savers of the government. I have noticed the decay and decline of parliament in regard to these particular matters and the way they prevent parliament from solving them.

This waterway subject was before the house in 1922; this is the eighth year in which I have brought it to the attention of parliament, but we are back to where we were in 1922. As regards the questions of law that have been raised, there are no questions of law involved in the project at all; it is a matter of policy. The law has been laid down for nearly a hundred years in the various treaties. Last year, I set them out as reported in Hansard on page 1931. I quoted the treaties now nearly a hundred years old in connection with the legal side of this case, showing that the people of the United States have always had the right of an outlet to the sea by way of the St. Lawrence. On that occasion I said:

> Now I come to the international treaties of which I spoke. Time will not permit me to read them all, but I will mention them. Let me first ask, what has so far been done toward making the great lakes and the St. Lawrence an international highway for commerce? If we look at these treaties respecting the great lakes, the connecting rivers and the St. Lawrence river, it will be found that the free and mutual use of the great lakes and of the St. Lawrence river has been enjoyed by the people of Canada and of the United States from the time of the close of the revolution until the present day. It is true that disputes have arisen. It is true that laws passed by the one country or the other have been looked upon as restrictive, but the fact remains that never in all that time has the actual use of the St. Lawrence or of the great lakes and their connecting channels been denied by either nation to the citizens of the other. That fact is of profound significance, for while the "natural" right to navigate the lower St Lawrence was denied to the citizens of the United States by Great Britain, the privilege and the practical use of that channel was not denied.
>
> The legal title of the United States in the great lakes and in the St. Lawrence rests upon

a firm foundation. That great highway was once completely within the possession of France, secured to her by right of discovery. In 1763 all right and title to the dominions of France east of the Mississippi passed to Great Britain. Twenty years later, by the treaty of 1782, the British dominions in North America were divided and the boundary line between the new nation of the United States and the remaining British possessions was indicated as the mid-channel of the great lakes and the connecting waters, including the St. Lawrence to the northern boundary of New York.

By clause 8 of the treaty of 1782 it was agreed that:

The navigation of the river Mississippi, from its source to the ocean, shall forever remain free and open to the subjects of Great Britain and the citizens of the United States.

Then we have the treaty of 1794, known as the Jay treaty, which provided for joint relations. Then in 1814 the treaty of Ghent sets out the rights of the parties with respect to the St. Lawrence, and by article 2 provides:

The intercourse between the United States and his Britannic Majesty's possessions in the West Indies and on the continent of North America shall not be affected, but each party shall remain in the complete possession of its rights with respect to such an intercourse.

In 1817 the Rush-Bagot agreement for limitation of naval armaments on the great lakes was proclaimed, and since that time these international waters have been without gun or ship or fortress intended as a threat on the part of either toward the other.

In the treaty of 1842 the mind of the two nations is still further shown as drawing together to one common purpose, when in article 2 of that treaty they agree:

It being understood that all the water communications and all the usual portages along the line from lake Superior to the lake of the Woods, and also Grand Portage, from the shore of lake Superior to the Pigeon river, as now actually used, shall be free and open to the use of the citizens and subjects of both countries.

Again, by article 3 of that same treaty, the river St. John forming part of the boundary between the United States and Canada, and in part a stream wholly within the province of New Brunswick was declared "free and open to both parties and shall in no way be obstructed by either." Article 7 of the same treaty declares that the channels in the river St. Lawrence on both sides of the Long Sault islands and of Barnhart island, as well as the channels in the river Detroit on both sides of the island Bois Blanc, and between that island and both the American and Canadian shores, and the channels between the various islands lying near the junction of the river St. Clair with the lake of that name, shall be free and open to the ships and the vessels of both parties.

Then we have what is known as the Reciprocity treaty, which reaffirmed the same rights. Then in 1871, the Washington treaty was concluded, and article 27 of that treaty provides that the commerce of both nations shall enjoy common and equal rights and privileges within the canals or navigable waters of either. Here we have in this treaty of 1871 the bedrock of common property rights

[Mr. Church.]

to the navigation of the St. Lawrence as distinguished from any possession or claim of possession of rights extending beyond navigation, upon which to establish the lasting structure of an agreement that will provide a seaway from the great lakes to the Atlantic.

The duty of both nations is to improve the St. Lawrence. But the story is not yet complete. Once more the two nations met in 1909 and concluded the boundary waterways treaty, which reaffirmed the doctrine that the United States and Great Britain have joint rights both as to navigation and power in these rivers. I would direct the attention of the house to the last paragraph of that treaty, which reads as follows:

It is further agreed that so long as this treaty shall remain in force, this same right of navigation shall extend to the waters of lake Michigan and to all canals connecting boundary waters now existing or which may hereafter be constructed on either side of the line.

It will be noted that the language of the treaty covers canals "which may hereafter be constructed." We possess now every navigation right necessary. Police power we do not seek. The Welland canal, for instance, is wholly within Canada, and the police powers are under the jurisdiction of Canada. We have used these canals for nearly one hundred years and there has never been any trouble. This United States bogey has been raised by a lot of the power interests and the electric ring, and they have done more to bring this electric ring into Canada than any other agency.

So hon. members will see that for one hundred years there have been relations between the two countries for the joint use of those navigable waters right out to the ocean. The only thing that is being asked is to deepen the existing channels. There is no new law in regard to the matter at all. The United States have common use in perpetuity and nobody can interfere with that. Our relations with them, moreover, have been very happy. This particular waterway proposition involves two features: the first is the navigation feature and the second is the power feature. The second grows out of the first; they are correlated and interlocked. The navigation feature is paramount on the waters of that mighty river; that is, the rights of navigation. The 40,000 cubic second feet of water cannot be diverted from the river if navigation is affected thereby. As regards navigation works constructed by the Dominion, it may be contended that the Dominion have some rights in the ownership and disposition of any power incident to those canal works. This particular waterway is a necessity in this country. I am speaking now of the international feature. Before this work is gone ahead with, an agreement must be made between the United States and Canada. How is an international agreement to be reached? Under the constitution of the

United States, the president has full power to negotiate a treaty with Canada, stating the terms and conditions under which the seaway is to be constructed. The agreement then goes to the senate, where, in order to be ratified, it must receive a two-thirds vote of those present. The Canadian procedure is for the government of the day, speaking for the party in power, to enter into the treaty desired, and to submit the agreement to both houses of parliament for majority vote approval. What agreement is necessary? By treaties already existing, particularly the Washington treaty of 1871 and the Boundary treaty of 1909, the two nations have defined their rights, duties and privileges with respect to the great lakes—St. Lawrence waterway, including the canals and locks, uniting them into one highway of commerce. In either case the only requirement is that the civil laws of either country shall be observed by the citizens of the other while making use of waters that for navigation purposes are declared by these treaties to be equally and jointly the property of both.

The only question outstanding between the two nations is that of further improvement of a waterway already improved, but inadequate for the traffic now demanding passage and originating within the interior of both nations.

The problem of this waterway was decided by the Borden government between 1911 and 1914 when they constructed the first half of the greater St. Lawrence waterway, namely, the new Welland ship canal on which $100,000,000 has been expended. The action then of the government committed the country forever to the St. Lawrence waterway.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, February 22, 1929

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 39, respecting The Essex Terminal Railway Company.—Mr. Odette.

Bill No. 40, to incorporate the Montreal Underground Terminal Company.—Mr. Rhéaume.

Bill No. 41, respecting the Canadian Pacific Railway Company.—Mr. Kellner.

DOMINION ELECTIONS ACT

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER AMENDMENTS

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move:

That a special committee consisting of Messrs. Anderson (Toronto-High Park), Bancroft, Bird, Black (Yukon), Bothwell, Boys, Cahan, Cannon, Cantley, Dussault, Elliott, Girouard, Guthrie, Hanson, Jacobs, Kellner, Kennedy, Ladner, Laflamme, Lapierre, MacDonald (South Cape Breton), McPherson, Power, Ralston, Ryckman, St-Père, Sanderson, Sinclair (Queens), and Totzke, be appointed in accordance with the following recommendation of the second and final report of the select standing committee on privileges and elections, concurred in by the house on the 5th June, 1928:

"The committee recommend that a special committee of the house should be appointed at the next session of parliament to examine into the evidence and deliberations of this committee this year and to study the Dominion Elections Act, 1920, and the amendments thereto, and the Corrupt Practices Inquiries Act, and to suggest to the house such other amendments to the said acts as they may deem advisable, such committee to give special attention to the method of selecting returning officers and the preparation of voters' lists."

And that the said special committee have power to send for persons, papers and records, to examine witnesses under oath and report from time to time.

Hon. R. B. BENNETT (Leader of the opposition): Mr. Speaker, it was indicated in the speech from the throne that the government would introduce amendments to the Dominion Elections Act. Do I understand that it is intended that the work of formulating these amendments shall be done by this committee, or is it proposed to submit a bill to the house and refer it to the committee?

Mr. MACKENZIE KING: It is the hope of the government that the committee appointed under this resolution will be able to bring in a report suggesting such amendments as are necessary to the Dominion Elections Act. It may be that further amendments will be necessary, but that can only be ascertained when the committee has reported.

Motion agreed to.

INSURANCE ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 42, to amend the Insurance Act.

Motion agreed to and bill read the first time.

Mr. ROBB moved the second reading of the bill.

Mr. BENNETT: Will the minister state the purpose of this bill?

Mr. ROBB: The purpose of the bill is to correct certain defects which have come to light in the administration of the Insurance Act, brought about by the growth of casualty insurance; to qualify the act with respect to those companies which deal exclusively in marine insurance, to give fraternal societies the rights enjoyed by ordinary insurance companies, to permit them to issue endowment policies for a period of twenty years or longer, and also, under certain conditions, to enable them to increase the maximum policy to $10,000.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

EXPORT OF LIQUOR TO THE UNITED STATES

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Prime Minister (Mr. Mackenzie King) if he has received a letter from the women's section of the Calgary Labour party regarding the refusal of clearance to vessels carrying liquor to the United States, and, if so, is the Prime Minister prepared to give the house any information.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have received a number of letters from ladies, but I do not recall that one.

Some hon. MEMBERS: Explain.

Mr. JOHN EVANS (Rosetown): In view of many letters having come to hand of the nature of the one described by the hon. member for East Calgary (Mr. Adshead) regarding clearances of vessels carrying contraband liquor to the United States, I would like to ask the Pime Minister or the Minister of National Revenue whether he has any statement to make?

Hon. W. D. EULER (Minister of National Revenue): A reply was made yesterday to a similar question. It appears in Hansard.

CANADIAN COPYRIGHT

On the orders of the day:

Mr. L. J. LADNER (Vancouver South): I would like to ask the Secretary of State a question. Is it the intention of the government to correct by legislation the anomalous situation of Canada, which as a party to the revised Berne convention, has pledged her word to protect the Canadian copyrights of unionist foreign authors just as Canadian rights are protected in unionist foreign countries, and yet by legislation and by an order in council No. 893 passed in May, 1927, Canada has nullified the spirit and word of her signed pledge.

This fact has been made clear by a recent decision—1st of Feb. 1929—of the judicial committee of the Privy Council of Great Britain, affirming the decisions of the Canadian courts.

Canada, since that decision, is in the position of being in default in her undertakings to the other nations, unless something is done immediately.

Mr. MACKENZIE KING: Is this a question the hon. gentleman is asking?

Mr. LADNER: It is a question and I think the minister is prepared to answer it.

Mr. SPEAKER: It should be drafted as a notice.

Mr. LADNER: I think the minister is prepared to answer it.

Hon. FERNAND RINFRET (Secretary of State): The hon. gentleman was kind enough to advise me that he would put that question on the orders of the day. I am prepared to state in reply that I have now before me a copy of the judgment to which he has alluded. It is a judgment of the Privy Council interpreting section 39 of the old act, which is section 40 of the act in the revised statutes of 1927 concerning registration of copyright. We are considering what amendments, if any, should be made to the act to bring it into conformity with the provisions of the recent conference at Rome. I may assure my hon. friend that all these matters are receiving the immediate attention of the department.

SASKATCHEWAN GRAIN INQUIRY COMMISSION

On the orders of the day:

Mr. JOHN MILLAR (Qu'Appelle): The Minister of Trade and Commerce being in his seat to-day, I would repeat the question I asked yesterday. Has his department received from the Saskatchewan government or any other source information relative to the time when the Saskatchewan royal grain inquiry commission may issue a report?

Hon. JAMES MALCOLM (Minister of Trade and Commerce): I can answer my hon.

friend by saying that we have no information in any form from the Saskatchewan government as to the inquiry.

IMPORTATION OF RUSSIAN COAL

On the orders of the day:

Mr. THOMAS CANTLEY (Pictou): I would like to direct a question to the Minister of Mines, based on a telegram which I have in my hand, in regard to the importation of large quantities of Russian coal into Canada through the ports of Montreal and Portland. A large cargo came up to Montreal just before the close of navigation; several cargoes have reached the port of Portland and are now being transported to Montreal. A cargo is just being landed and another is momentarily expected. I would ask the minister if is aware of the fact and what he proposes to do about it?

Hon. CHARLES STEWART (Minister of Mines): I am not aware of the facts, but I will make inquiry and answer my hon. friend next week.

INQUIRY FOR RETURN

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Queens-Lunenburg (Mr. Ernst) inquired the other day as to a return that was ordered on March 12 last. I promised that I would look into the matter and let him have a reply. I find that the return was presented to the house on the eighth June last.

Mr. W. G. ERNST (Queens-Lunenburg): I did not have any notice.

LAFONTAINE MONUMENT

On the orders of the day:

Mr. J. F. POULIOT (Temiscouata): Is it the intention of the government to contribute something towards the erection in Montreal, the seat of government for a time, of a monument to the memory of Sir Louis Hyppolite Lafontaine, the father of responsible government in Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There is a monuments committee which has, I believe, to do with matters of this kind, but in any case the intention of the government will have to be made known in the estimates.

RELATIONS WITH SOVIET RUSSIA

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North-Centre): In view of the favourable reports of Colonel H. J. Mackie and others regarding conditions in Russia, is the government taking any steps towards renewing relations between Canada and Soviet Russia?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am unable to say more to my hon. friend than that the government is giving consideration to the matter.

INTERNATIONAL PEACE

MULTILATERAL TREATY FOR THE RENUNCIATION OF WAR

The house resumed, from February 19, consideration of the motion of the Prime Minister:

That it is expedient that parliament do approve of the general treaty for the renunciation of war, which was signed at Paris, on the twenty-seventh day of August, nineteen hundred and twenty-eight, on behalf of His Majesty for the Dominion of Canada by the plenipotentiary named therein, and that this house do approve of the same.

And that a message be sent to the senate to acquaint their honours that this house unites with the senate in the approval of the above-mentioned treaty;

And that the clerk of the house do carry the said message to the senate.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I think it is the general opinion of the house and of the country as a whole that on memorable national and international occasions the Prime Minister (Mr. Mackenzie King) has expressed his views and the views of Canada generally with dignity, with clarity, in concise and choice diction and with an eloquence that has merited and received the commendation of all. I refer to such memorable occasions as the dedication of the Peace tower, the celebration of the sixtieth anniversary of the foundation of this Dominion, the occasion of the signing of the peace pact at Paris, the recent address delivered before the League of Nations at Geneva and the somewhat memorable pronouncement which he made on the twenty-eight October last at Quebec, on his return from Paris, Geneva and London. I think the same commendation generally may be extended to his address on Tuesday last in advocacy of the adoption of the Paris peace pact in renunciation of war. I am sure the applause which attended his address, and that which followed the eloquent and inspiring address of the leader of the opposition (Mr. Bennett) convinced the members of the house and the country generally that perfect unanimity of opinion prevails in Canada with regard to the ratification of this pact of peace. Therefore it is not in any cavilling spirit, not from any desire to make captious criticism, that, having moved the adjournment of the

debate, I desire to present one single issue in respect of this peace pact which I believe to be of vital significance to the future welfare of Canada, especially in its relation to the great republic to the south of us. The Prime Minister, in memorable words, on Tuesday last said:

In the name of the multitude of their dead, the nations that have signed this treaty have pledged their honour in the face of mankind never again to resort to war as a means of settling controversies between them. Surely, if there is such a thing as national honour existing, this treaty must hold a large place in the future of the world.

And then proceeding to describe the organization that had been attempted, under the covenant of the League of Nations, to ensure the future peace of the world, the Prime Minister called attention to the fact that there were certain gaps still existing in that organization. He said:

In the first place, the League of Nations does not include within its membership all the nations of the world. The United States, which is a signatory to this treaty, is not a member of the League of Nations.

I desire to proceed this afternoon with the inquiry whether that gap is closed, and as to whether in view of the attitude of the government and of the predominating public opinion in the United States, that gap may be satisfactorily closed in the interests of permanent peace relationships between this country and that great republic. The Prime Minister touched upon that aspect of the question when he said:

It is obviously to the interests of Canada to have from her neighbours, from the countries that surround her, an assurance upon their national honour that never will resort be had to war as a means of settling any differences which may arise. That reason has been mentioned elsewhere as a prudential reason, a reason of prudence, if nothing else, why this country should become a party to a treaty of this kind. Canada is fortunate perhaps in her geographical position.

May I add to that, that Canada is fortunate in her geographical position only in so far as there prevails throughout the neighbouring republic, dominating its different public policies, the will to peace, not only with Canada, but the will to permanent peace with the great Britannic commonwealth of which we are members and with the great League of Nations, of which also we are members. The Prime Minister continued:

We have but the one neighbour to the south, and this neighbour—

I am omitting some immaterial words:

—along with the other nations of the world, gives its solemn pledge that never for all time to come will it resort to war as a means of settling any controversies that may arise.

[Mr. Cahan.]

Mr. Cahan: Does the right hon. gentleman understand that to be embodied in this document?

Mr. Mackenzie King: Most decidedly so. I cannot see how this document is capable of any other interpretation than that as between Canada and the United States—let me enlarge that—as between the British Empire and the United States. Neither will ever resort to war as a means of settling differences which may arise between them, but that they will settle all differences by pacific means, and to that end each has pledged its honour before the entire world.

I think that in the expression of that hope and aspiration touching the future relations of these great countries the Prime Minister voiced the sentiments not only of this house but of all the people of Canada. He was not more positive in his expression of opinion than was M. Briand at Paris, where, speaking in the presence of the assembled representatives of the signatory powers, he said:

Thus, shall war as a means of arbitrary and selfish action no longer be deemed lawful. Thus, its threat shall no longer hang over the economic, political and social life of peoples. Thus, shall the smaller nations henceforth enjoy real independence in international discussions. Freed from the old bondage, the nations that have signed the new contract will gradually forsake the habit of associating the idea of national prestige with the idea of force, and this single psychological fact will not be the least important factor in the evolution that is needed to lead to the regular stabilization of peace.

That pact was signed at Paris on August 27th last by representatives of fifteen countries. By September 12th, 1928, I noticed in the public reports that three other nations had adhered to the pact, and twenty-five others had signified their intention to adhere as soon as the constitutional means could be taken for ratification. Now I understand that all but three have indicated their adherence or intention to adhere, those three being Argentine, Brazil and Liberia.

I was very much struck indeed by the pronouncement made by the Prime Minister, at Quebec, I think, on his return. For myself, and speaking from my own ideals, I was impressed seriously with the hope that the pact of peace might prove to be all that the Prime Minister so ardently hoped for the nations that were giving adherence to it. But on November 1, last, an address was made in New York by a notable American, Mr. Houghton, who had been United States ambassador to Germany, and who had just recently returned from being ambassador of the United States at the court of St. James. He had returned to his own country, and there, it would appear from the address, which

he gave on that date, that this spirit and will to peace which had encircled him in London was not finding expression in the public prints of his own country, and therefore he expressed himself as follows:

Until we, here in America, are ready to accept, in a practical sense, as fairly equivalent to our own, the goodwill and integrity of purpose and trustworthiness of other peoples, we shall find a durable peace beyond our reach. That is the obvious but unpleasant truth, and I know even to mention it tends to arouse all the cynical forces of distrust and suspicion within us. But there it is. It cannot be evaded!

In a world that is armed, we cannot go unarmed. In a world which is still mainly based on force, eventualities, no matter how insane, in themselves, must still be considered, and we do not need to exaggerate them. But to forget them wholly would be quite as bad. There are times, we must remember, when police power is as necessary in foreign affairs as in domestic affairs.

Upon reading that speech I felt a degree of apprehension that I find it difficult to express. November 11 was Memorial day. It is a day that is sacred to us in Canada, a day that we make a memorial for our dead, a day perhaps which is more engrossing to us in this country than to the people in the neighbouring republic, where owing to their enormously larger population the sacrifices through death and wounds which they made in the war came not so closely home to them as it did to our small population.

I remember my own feelings on November 11. I stood at the grave of my own son. Wounded in the war by shell fire, his spine partially shot away, paralyzed in his lower limbs, obtaining internal action of his organs only by mechanical means, yet through severe suffering he attempted to overcome weakness and pain and to take some part again in the public service of his country. As I stood by that open grave and watched scores of his old companions in arms passing by, with their simple impressive rite of bidding hail and farewell by each throwing a maple leaf upon the open grave; young men, scores of them, halt and wounded, some whose faces bore ineradicable expressions of pain and suffering and sorrow, the most of them clad in heavy boots, wool jerseys and rough jackets; young men from the fishing fleets, young men from the timber and lumber camps, young men from the farms—I felt in my own agony, God be blessed that this peace pact is in a way to be achieved as an aid and incentive to the preservation of the peace of this country and of the empire to which it belongs.

I was in that spirit when, two or three days later, I picked up the New York Herald-Tribune and read the address of the President of the United States on November 11—the same day which is so sacred in the memories of many families in Canada. In that address he spoke first of the necessity of preparation for war, secondly, of the limitation of the armaments of war, and lastly, remember, of the renunciation of war for the achievement of national policy. I will read his words:

If the European countries had neglected their defences, it is probable that war would have come much sooner. All human experience seems to demonstrate that a country which makes reasonable preparation for defence is less likely to be subject to a hostile attack and less likely to suffer a violation of its rights which might lead to war. This is the prevailing attitude of the United States and one which I believe should constantly determine its actions. To be ready for defence is not to be guilty of aggression. We can have military preparation without assuming a military spirit. It is our duty to ourselves and to the cause of civilization, to the preservation of domestic tranquillity, to our orderly and lawful relations with foreign people, to maintain an adequate army and navy.

We do not need a large land force. The present size of our regular army is entirely adequate, but it should continue to be supplemented by a national guard and reserves, and especially with the equipment and organization in our industries for furnishing supplies. When we turn to the sea the situation is different. We have not only a long coast line, distant outlying possessions, a foreign commerce unsurpassed in importance, and foreign investments unsurpassed in amount, the number of our people and the value of our treasure to be protected, but we are also bound by international treaty to defend the Panama canal. Having few fuelling stations, we require ships of large tonnage, and having scarcely any merchant vessels capable of mounting five or six inch guns, it is obvious that, based on needs, we are entitled to a larger number of warships than a nation having these advantages.

That is the pronouncement of the executive head of the great nation to the south of us, showing what confidence his government and the people that he represents had in the peace pact of Paris as an agency for securing the permanent peace of the world.

Now, is it any wonder that the New York Herald-Tribune—which I have read, I think, almost daily for thirty or forty years, and which to a large extent in its editorial columns is an expression of the views of the dominant political party of the United States—is it any wonder that this journal on November 13 last, in eulogizing the president's address from which I have read this extract said:

The United States is now the richest and most powerful nation in the world. It has, as the president pointed out, a foreign commerce unsurpassed in importance and foreign investments unsurpassed in amount. We have a long coast line and distant outlying possessions as well as our own population and treasure to protect. This duty of defence comes first

and ought never to be disregarded or sought to be discharged through reliance on mere academic formulas.

After thus referring to the Paris peace pact as a mere academic formula, the same journal proceeded:

If by the Kellogg treaty the nations of the world renounced all war and made provision for effectively enforcing that renunciation, there would be solid ground for arguing that the fifteen cruiser bill was unnecessary.

The treaty does contain a sweeping renunciation of war. But England, France and Japan have formally reserved for themselves warfare for certain purposes, and Mr. Kellogg has in a note declared that the treaty does not apply to any defensive war. The renunciation, as interpreted, is thus partial and limited. In not covering defensive warfare, it exempts what both combatants have termed almost every war of modern times. Moreover, no provision is made for enforcing even this limited renunciation. If some nation, in the future, chooses to regard this treaty as a scap of paper, there will be no organization to determine the fact and no obligation upon anyone to act.

Therefore, as the treaty stands to-day, it is a statement of an ideal. It expresses the hope and aspiration of the world, and as such is well worth ratifying. But it does not end war, and only the most arrant hypocrite, or the most deluded optimist, can pretend that it does.

I have followed—I have no time to report them at length—the addresses which were made in the United States senate, first, on the motion to ratify the peace pact and, secondly, on the bill to extend the naval equipment of the United States. However, as a pretty fair resume of that discussion, which I personally read, the following statement made on January 28, 1929, in the senate, by Senator Walsh of Montana is quite impartial. I quote:

Mr. President, it is perfectly evident that the construction of the cruisers contemplated by the bill under consideration looks to a war primarily with Great Britain and secondarily with Japan. No one has intimated any likelihood, even of the most remote nature, of a clash with any other country, rendering it prudent to expend a quarter of a billion dollars for the extension of our naval establishment. No one has ventured the opinion that, as it stands, it is not adequate to meet any contingencies that may arise out of any controversy in which our country may become involved with any other, save only the two mentioned.

And then, after certain, not reservations, but conditions had been formulated by the United States senate committee on foreign affairs, and accepted, I think, without dissent, the peace pact was voted by the senate. On January 30, 1929, Senator Reed of Missouri, in defending his action in voting for the ratification of the Paris peace pact, said in the senate:

I voted for the treaty after we had got through a reservation—

[Mr. Cahan.]

It is not called a reservation by Mr. Kellogg; it is called by him and others, a condition.

—which took the danger out of it, and left it nothing but a mere expression of good will. I will say to the senator—

The senator to whom he was replying.

—in perfect confidence that I would not have cast that vote for a proposition which I considered idiotic, if I had not said that I would do so in order to get through the reservation.

The report of the foreign relations committee of the United States senate, which was presented on January 15 last, contains the following:

The committee reports the above treaty with the understanding that the right of self-defence is no way curtailed or impaired by the terms or conditions of the treaty. Each nation is free at all times and regardless of the treaty provisions to defend itself, and is sole judge of what constitutes the right of self-defence and the necessity and extent of the same.

It was also affirmed in the same report that:

This treaty in no respect changes or qualifies our present position or relation to any pact or treaty existing between other nations or governments.

It was on those specific understandings that the United States senate ratified the Paris peace pact; and it is thereby affirmed, I think, that the United States still maintains its doctrine of neutral rights and affirms that a war to maintain those alleged rights is, in its view, a war of self defence.

The New York Herald-Tribune of January 26 last says of "neutral rights" that:

The League of Nations covenant practically abolished them, for under it all league members are obliged to support an economic boycott declared by the league council against a nation going to war in defiance of the league. If the United States, a non-member, remained neutral in such a war, what neutral rights would it enjoy against a league blockade, on paper or actual? . . . Freedom of the seas existed at the end of the war only for those nations which possessed naval power. In the old sense it remains only for those neutrals who can challenge the inhibitions of an economic boycott when not enforced through actual blockade.

Hence, that journal urges the supreme need of the United States for a powerful navy, keeping quite in line with the pronouncement of the President of the United States that the first necessity of the United States, despite the signing of the peace pact at Paris, is preparation for war.

For a great industrial country such as the United States, with its enormous capacity for producing commodities of all sorts which may be required by belligerent nations, neutrality is very profitable indeed. In time of war

prices rise, and the higher they rise the greater are the profits accruing to the producing nations so long as the belligerent nations have either the cash or credit wherewith to purchase the neutral supplies. The moral enthusiasm for neutrality becomes more passionate as it better conserves the economic interests of the neutral state. The vital interests of civilization may be at stake in the war, but war profits, actual or prospective, becloud all consideration of the rights or wrongs of the contending parties, so long as either of the belligerents is able to receive and pay for commodities purchased.

In every war in which it was not engaged as a belligerent, the American republic has insisted upon the paramount right of its traders and its shipping to prolong the contest by supplying American products to one or both of the belligerents. The covenant of the League of Nations was framed largely through a former President of the United States, in cooperation with the representatives of the other allied nations, and if the United States had adhered to the covenant of the League of Nations the gap to which the Prime Minister (Mr. Mackenzie King) referred the other day would now be almost completely closed.

Articles 12, 13 and 14 of the covenant of the league provide for arbitration among members of the league; or, failing an agreement to arbitrate, the submission of matters in dispute between members of the league to the consideration of the council of the league for report thereon. I am going to read article 16, which provides:

> Should any member of the league resort to war in disregard of its covenants under articles 12, 13, or 15, it shall ipso facto be deemed to have committed an act of war against all other members of the league, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking state and the nationals of any other state, whether a member of the league or not.
>
> It shall be the duty of the council in such case to recommend to the several governments concerned what effective military, naval or air force the members of the league shall severally contribute to the armed forces to be used to protect the covenants of the league.
>
> The members of the league agree, further, that they will mutually support one another in the financial and economic measures which are taken under this article, in order to minimize the loss and inconveniences resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking state, and that they will take the necessary steps to afford passage through their territory to the forces of any of the members of the league which are co-operating to protect the covenants of the league.

I will pass over the interpretation of article 16, because in this respect it is not modified by the subsequent interpretation given it by a vote of the assembly which as yet has not been completely ratified. Under this article the members of the league are bound to establish an economic boycott against every recalcitrant member of the league, including the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking state and the nationals of any other state whether a member of the league or not.

The United States is not a member of the League of Nations, and it seems to me perfectly clear from the statements of publicists of the United States and from their leading journals that their proposed naval expansion is largely if not entirely due to the expectation that the navy of England will be employed in case of need to enforce the league's policy of an economic embargo against a recalcitrant state. The enthusiastic supporters of the United States naval bill, both within and without congress, loudly declare that they have the men and the money and will build a fleet so powerful that it will be able to escort American traders and American shipping across the seas in spite of any economic blockade which may be imposed by any other power in the world, and in spite of any blockade or embargo which may be instituted by the League of Nations. I will say to the credit of the Prime Minister, with no sarcasm at all, that he had the insight and the courage to set forth this issue, not too obtrusively, in his letter of May 30 last which was dispatched on behalf of the Canadian government through the American minister at Ottawa to the government at Washington. In that letter, a copy of which I have before me and which contains significant expressions which I think perhaps were prepared personally by the Prime Minister, he refers to the imposition of economic sanctions by and on behalf of other members of the league under the terms of the covenant as follows:

> It is plain that the full realization of the ideal of joint economic or military pressure upon an outlaw power, upon which some of the founders of the league set great store, will require either an approach to the universality of the league contemplated when the covenant was drawn—

By that I think the Prime Minister intended to suggest the entrance of the United States into the League of Nations, an event which always has appeared most desirable, or to revert to his words:

—or an adjustment of the old rules of neutrality to meet the new conditions of cooperative defence.

That is the real essence of the whole controversy, and I doubt if it could be more accurately expressed in diplomatic language. I understand and appreciate the reserve which the Prime Minister of Canada is bound to exercise in such a case, but as a simple, private member of His Majesty's opposition in this house I am not bound by the same restraints or reserves. Does the United States, under the guise of protecting its neutral rights, intend to flaunt the unanimous decision of the council of the League of Nations—because these decisions must be unanimous in this regard—and use its naval forces to preclude the members of the league from imposing economic pressure upon an outlaw power? Before developing that idea, however, let me quote further from the Prime Minister, who continued:

In any event, if, as would seem to be the case, the proposed multilateral treaty does not impose any obligation upon a signatory in relation to a state which has not signed the treaty or has broken it—

That is, in relation to a state which has not signed the Paris peace pact or which, having signed, has broken that pact, which is admittedly the crux of the controversy. Then the Prime Minister continued:

—any decision taken to apply sanctions against a member of the league which has made war in violation of its covenant pledges would not appear to conflict with the obligation of the treaty.

That is, it would not be in conflict with the obligations which the Paris peace pact imposes upon those who are parties to the covenant of the League of Nations. In that conclusion I entirely concur, and under the circumstances it was doubtless inexpedient for the Prime Minister, in this diplomatic document, to proceed further and point out clearly that the most powerful financial and industrial nation of the world is not bound by the inhibitions which are imposed upon those who adhere to the covenant of the League of Nations. It alone, among the powerful nations of the world, is still free to recognize any power which is so outlawed by a declaration of the council and assembly of the League of Nations.

Let me refer to article 16, which goes further and provides that should any member of the league resort to war in disregard of its covenants, as specified, then it shall be deemed ipso facto to have committed an act of war against the other members of the league.

[Mr. Cahan.]

Mr. SPEAKER: I am sorry to interrupt the hon. member, but his time is up. Is the house ready for the question?

Right Hon. W. L. MACKENKIE KING: Before putting the motion, Mr. Speaker—

Mr. E. J. GARLAND (Bow River): I take it that the Prime Minister will close the debate if he speaks now, and I desire to offer two suggestions to the problem mentioned in the debate which has taken place in connection with this treaty. I am spurred by the generous tribute paid by the hon. member for St. Lawrence-St. George (Mr. Cahan), and wish to join with him in congratulating the Prime Minister on the excellent manner in which he represented the interests of the Canadian people overseas. I do not think anyone is insensible to the honour he has done not only himself but Canada as well in connection with these negotiations.

I also think both the Prime Minister and the leader of the opposition struck the right note when they suggested that without further efforts in the direction of peace the treaty itself would be almost useless. That reminded me of what Lord Grey wrote as an introduction to General Sir George Aston's book on the study of war. At that time Lord Grey wrote. I quote:

The third point of view, which is very important for all educational institutions, is that each generation should be brought up to realize what modern war means. In my boyhood we were all taught what war meant, but we regarded war as something very different from what we now know that it means; and it is by bringing home to each succeeding generation what the realities of modern war are, how vastly more castrophic and disastrous it is to the whole population than ever before, that we shall form a public opinion which will help to secure peace. It is, therefore, especially essential that the study of war in all educational institutions should be brought up to the point of bringing home to each generation what modern war really means, in order that we may have, in succeeding generations, a public opinion, not only in this country, but in other countries, which understands that it is to the interest of nations that they should avoid such things as the last war. The study of war would show that any future war will be even more disastrous and destructive to human life and property than the great experience we have all been through.

Applying the above to the present discussion I submit that it would not be carrying out the suggestion of Sir Edward Grey, and all other statesmen, if we were to allow this debate to conclude without doing our best to show the people who study the question just what is and is not involved in the treaty itself.

I am not going to criticize captiously, but I do wish to point out that while we feel we can ratify this treaty, which is a step forward in the direction of international amity, yet there are conditions surrounding it which circumscribe and contract it, and about which the people should know if our further efforts in the direction of peace are to be fruitful. Strictly speaking, the treaty itself did not originate with either Briand or Kellogg. If I remember correctly, the first rought draft of a treaty of this type was produced by Professor Shotwell of Columbia university. The draft was brought to the attention of Senator Borah and also of Nicholas Murray Butler, the president of Columbia university. Both these men were so taken with the possibilities of such a treaty and it appealed to their imaginations so effectively that they took steps to see that M. Briand in France secured a copy of this draft. I think we should indicate to the professor during the course of this debate that we know it was neither Briand nor Kellogg who originated this idea, but that the present draft was his own work. This treaty has been referred to as the greatest event the world has seen since the birth of Christ. Of course, we know to-day that that is a wild emotional outburst having little basis in fact.

There are unquestionably reservations surrounding it which unquestionably detract from its force. The Prime Minister has said there are none; that he preferred to adopt the verbiage of Mr. Chamberlain and to intimate that there were no reservations to the treaty. But the right hon. gentleman intimated that there were "interpretations," and in the final analysis it is the interpretations of the treaty, if accepted, that become the treaty. I think the Prime Minister knows very well that the treaty is circumscribed; it is contracted from the original form in which it went out by certain proposals. After the proposed treaty was submitted to France by Mr. Kellogg, France led the European concert in the direction of reservations, subsequently accepted by the United States. The first suggestion was that there should be an amendment to the draft of the treaty leaving wars of self-defence outside the ban imposed by it. The second suggestion was that the violation of the treaty by one of the signatories released all the others, and the third suggestion reserved any commitments that had been made by the respective signatories under the covenants of the league or other pacts such as the Locarno pact and the treaties of neutrality. The treaties of neutrality are rather important from the European point of view, inasmuch as it is through them there has been established what is now known as the "little entente"; a growing and powerful factor in European affairs.

Mr. Oliver Cabot Lodge, in an article in Harpers magazine for December last, commented upon the interesting situation which arose; the following appears at page 34:

> The State Department thought that if these amendments were secured, there would be nothing left of the Kellogg proposal. A high official of the department told the writer, for instance, that if these points were even admitted the treaty would be made "ridiculous." But here is what finally happened. The treaty itself was not amended, but the French points were virtually admitted by Secretary Kellogg in his address before the American Society of International Law in Washington on April 28, 1928.

The article continues:

> But in this case it was felt that the sole value of the treaty lay not in its binding effect —which admittedly is practically nil—but in the "moral" effect which the knowledge of its existence would have on public opinion—which, it was hoped, would be very great. Therefore, it was argued, the special interests of the parties concerned would be adequately cared for if they were incorporated in diplomatic notes, provided that these notes received the same attention from the public as did the treaty itself.

This is contrary to the usual manner of restricting treaties by amendments. Because of the very nature of this treaty Mr. Lodge submits that it was only necessary to agree to the terms of certain diplomatic "notes" to have the treaty in effect amended although not changing the wording of it. The article continues:

> It thus follows that these reservations demanded by France are actually, if not legally, co-equal with the pact itself. But the senate will not pass on them.

He was disappointed in this regard, which brings us to another interesting point a little later on.

Mr. JACOBS: Did you say that was an article by Senator Lodge?

Mr. GARLAND (Bow River): Yes.

Mr. JACOBS: When was it written?

Mr. GARLAND (Bow River): It appears in Harpers Magazine of December last.

Mr. JACOBS: I understood that Senator Lodge had been dead for three or four years.

Mr. GARLAND (Bow River): I may have made a mistake in that.

Mr. JACOBS: It may have been Oliver Lodge, the spiritualist.

Mr. GARLAND (Bow River): I will relieve the facetious gentleman's mind by reading to him the title of the article and the name of the person who signed it. "The Meaning of the Kellogg Treaty" is the title, and it is written by Henry Cabot Lodge.

Mr. JACOBS: Is that the senator?

Mr. GARLAND (Bow River): I was not aware there were two gentlemen of international reputation both named Henry Cabot Lodge. The senator died some time ago, his son I believe wrote the article.

Mr. Lodge did not expect the senate to pass upon these reservations, but a powerful bloc consisting of from twenty-five to thirty senators opposed the treaty asking that the report of the committee be accompanied by a complete statement of the Monroe doctrine of the United States, and also that their position should be made very clear with respect to commitments in regard to obligations imposed by the treaty.

Brief reference to the report of this committee was made by the member for St. Lawrence-St. George (Mr. Cahan), but I think at this stage it would be better to refer first to the statement made by Mr. Chamberlain, who said that the real efficiency of the pact would depend not on any engagement undertaken by the United States government but on how the rest of the world thought the United States government would judge the action of an aggressor, and whether they would help or hinder him in his aggression. In discussing this treaty in the House of Commons on July 30, Mr. Chamberlain said:

> If the American nation ranges itself behind its own treaty, then indeed the signature of the treaty will be an additional and most formidable deterrent of war, and it will be in addition a most valuable security for peace.

According to Mr. Chamberlain, the real efficiency of this treaty is concurrent upon the United States definitely accepting obligations in regard to violators of the treaty. What did the senate of the United States do? It backed away altogether from that and all the eloquence and power of Borah and those associated with him were powerless against the blockade. All the efforts of the pacifist movement in the United States were powerless against the opposition in the senate. They might not be powerless at a future time under other conditions and I would not like the impression to remain that was possibly left on the house by the hon. member for St. Lawrence-St. George (Mr. Cahan) that the senate was expressing the will of the people of the United States. Certainly the minority group of twenty or thirty in the senate were not, in my opinion, expressing the real will to peace that we find everywhere permeating the United States common people. But we do find that those few men in that powerful assembly were capable of having embodied as a part of their report on the treaty that which Mr. Lodge says, in a subsequent statement on the matter, ties the report definitely to the treaty itself and makes it an interpretation of the treaty. As they have included President Monroe's message of December 2, 1823, it might not be amiss at this stage to repeat it:

> We owe, it therefore, to candour and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. It is impossible that the allied powers should extend their political system to any portion of either continent without endangering our peace and happiness.

So much for that. The report then continues:

> The committee—

That is the foreign relations committee of the United States senate.

> —further understands the treaty does not provide sanctions, express or implied. Should any signatory to the treaty or any nations adhering to the treaty violate the terms of the same, there is no obligation or commitment, express or implied, upon the part of any of the other signers of the treaty to engage in punitive or coercive measures as against the nation violating the treaty.

That interpretation of the position of the United States by the United States senate over the opposition even of Senator Borah is more eloquent than any criticism of the treaty by anybody else could in effect be. But that is not all. Let us go back again to Sir Austen Chamberlain's speeches. He says: The real efficiency of the treaty is the recognition by the United States of its obligations in respect thereto. The United States rejects any real obligations in respect thereto and, therefore, if Sir Austen Chamberlain's position be correct, surely the real efficiency of the treaty is destroyed. I do not think it really is, but I think a powerful supporting influence has been removed by the action of the United States senate.

Let us consider just another point in connection with this. So much for the United States Monroe doctrine, but if one listens to the speech of the hon. member for St. Lawrence-St. George coupling the Monroe doctrine with the expressed attitude of the United States to-day as he uttered it through the particular selections he made, one would imagine that the United States of America was the sole violator of this will to peace that the

people of the world have so rapidly generated during the last few years. What are the facts? The very first suggestion that any doctrine similar to the Monroe doctrine should become a part of or be a circumscribing regulation to the treaty came, not from the United States who sent the draft treaty in its original form and who were certainly prepared to sign it in its original form, but from England herself, in Sir Austen Chamberlain's letter, comes the restriction which has already been read by the hon. member for Winnipeg North Centre (Mr. Woodsworth). Let me remind the house of its terms:

I should remind Your Excellency—

That is Mr. Kellogg.

—that there are certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety. His Majesty's government have been at pains to make it clear in the past that interference with these regions cannot be suffered. Their protection against attack is to the British Empire a measure of self-defence. It must be clearly understood that His Majesty's government in Great Britain accept the new treaty upon the distinct understanding that it does not prejudice their freedom of action in this respect.

The effect of that letter, of that interpretation, was at once to establish a definite British Monroe doctrine clearly and unequivocally. What could the United States people do; what could the United States senate do, faced by a situation in which Sir Austen Chamberlain, speaking for the British people, said that the principle of self-defence shall not be confined even to the far-flung territories of the British Empire, but shall extend beyond them into unspecified regions, the location of which we have not yet been able to determine.

They may be Abyssinia, Persia, Egypt, or many other countries in which England has a special and financial interest. Some of them are in Asia, some in Africa, and naturally her interests of defence in Europe are recognized. Therefore the British doctrine laid down by Sir Austen Chamberlain's letter deliberately destroys the influence of the treaty if the principle of self-defence is not narrowed down and more clearly defined with respect to the continents of Europe, Asia and Africa. The United States Monroe doctrine destroys the effect of the treaty in respect of the American continent, and the only other one left is Australia, which, as part of the British commonwealth, would be involved in any difficult situations arising out of such reservations if accepted. One could go on and discuss this question of the Monroe doctrine and the British policy in regard thereto at some length. I do not wish to do that, but I would direct the attention of the Prime Minister to the Manchester Guardian of May 25 last, in which appears a leading editorial opposing Sir Austen's extension of the right of self-defence to cover "certain regions" outside the empire which are of "special and vital interest to our peace and safety". Further it says:

The treaty outlawing war should not be allowed to become a vehicle for setting up a "British Monroe doctrine," says the Guardian.

Certainly there is no question about the position of the liberal-minded persons of Great Britain in that respect. It was voiced by the Manchester Guardian in no uncertain terms. Then Lord Cecil rose in the House of Lords and attempted to secure a definition from Lord Cushendun as to just where these territories were, what the areas were, what the particular interests were; but he received no satisfaction whatever to his inquiries, nor has anyone since been able to clear up just what these unspecified territories are. To quote further:

"The oddest result of all," says the Manchester Guardian, concerning the treaty discussion, "would be that acceptance of the treaty by Great Britain should be made the occasion for asserting her right, even though she should not herself be attacked, to wage war in certain as yet unspecified regions of the world, which are of special and vital interest to her."

Mr. THORSON: Would the hon. member say that Canada associates herself with that interpretation by Sir Austen Chamberlain?

Mr. GARLAND (Bow River): I have no hesitation whatever in saying that it would be madness on Canada's part to associate herself with any such interpretation and I do not understand that she has so associated herself. It has just been suggested to me that the hon. member for Winnipeg South Centre (Mr. Thorson) might have directed his question to the Prime Minister with greater effect than by directing it to a mere critic of the treaty.

Mr. BOURASSA: That is what we call in French carambolage.

Mr. GARLAND (Bow River): A going around, enfilading. What is this thing that they call self-defence? Great Britain has spoken of it; the United States has spoken of it.

The right hon. the Prime Minister referred I think to Lord Cushendun's remarks the other day in which he qualified it as "bona fide self-defence." What is bona fide self-defence? It is just as vague as the other. It is just as ridiculous, really, as the other, and it does not in any degree safeguard us, nor can we be safeguarded until there is a very clear definition of just exactly what is

meant by self-defence. Before I go any further I want to quote Doctor Morrison of the Christian Century, in this regard:

It is beginning to be evident that the British reservation is sabotaging the pact, that it leaves a huge gap in the renunciation of war—indeed, for Britain the gap is bigger than the renunciation—and that it practically invites the defeat of the pact in the United States senate.

I submit that opinion to the hon. member for St. Lawrence-St. George (Mr. Cahan), who is bitterly critical, and with some justification, of the United States militaristic preparations. There is no question about it, there is some justification for these criticisms, but there also has been some provocative action on the part of Great Britain. Doctor Morrison goes on:

But this British reservation has confused the issue. It has introduced "ifs and ands." Thus our senate has been provided with a smoke-screen—

Indeed it has:

—behind which it can completely emasculate the treaty.

Professor Edwin M. Borchard of Yale, one of the leading American jurisconsults, writes:

The treaty as now qualified by the French and British reservations constitutes no renunciation or outlawry of war, but, in fact and in law, a solemn sanction for all wars mentioned in the exceptions and qualifications. When we look at the exceptions, we observe that they include wars of self-defence, each party being free to make its own interpretation as to when self-defence is involved, war under the League Covenant, under the Locarno treaties, and under the French treaties of alliance. If self-defence could be limited to the terms "to defend its territory from attack or invasion," as suggested by Mr. Kellogg, it would be of some value, but it is understood that no specific definition of self-defence is necessarily accepted.

I simply submit the evidence of these authorities upon that one point of self-defence to show how it vitiates the whole treaty and almost destroys its effect unless we are willing, as has been expressed in this house already, to go on now and endeavour to secure a closer and a better definition of just what self-defence does actually mean. I might by the way in this regard quote a rather facetious utterance of Lloyd George. Mr. Lloyd George discusses this question at some length in his articles in the Daily Express. He says:

The rejoicing amongst genuine advocates of a peace based on judgment and not on violence has been abated considerably by the reservations demanded by France (re-echoed by Britain) and accepted by Kellogg in his famous speech. They realize the advantage of a solemn declaration by all the great powers condemning war as an instrument of national policy. But their doubts may be expressed in this form:

I am satisfied that this will appeal to the hon. member for Cartier (Mr. Jacobs):

"Thou shalt not kill", was a definite commandment which had a legal as well as a moral force. But supposing Moses, in order to propitate the most contentious tribes, had delivered an allocution to the children of Israel explaining that he had not quite meant the inhibition to be taken too literally, and that its operation must be subject to considerable qualifications—that killing to protect certain interests was permissible, and that if you killed in self-defence, you were the sole judge of what constituted self-defence. The practical value of the commandment would be seriously damaged by these modifications.

I think even the hon. member for Cartier would agree with him in that regard. We can see that the "interpretations" by no means help the pacific purpose of the treaty, and if those who so ardently support it are sincere, they must go much further than we have yet gone. We must go to the point of recommending a very clear definition of self-defence.

Mr. BENNETT: The hon. gentleman is no doubt aware that the Germans still maintain that the Great war was one of self-defence on their part.

Mr. GARLAND (Bow River): Quite right, and I have never discovered any major war in history that was not claimed to be one of self-defence by both sides.

I have not very much time left, and although there is much to be said on this question I must curtail my remarks. The hon leader of the opposition (Mr. Bennett) made a very eloquent appeal the other day on this subject, and said that if we were sincere in the matters we should go further than the treaty and do our best to secure international disarmament. So strongly did he emphasize that point that he returned to it nine times in the course of his short speech, and in more eloquent terms than I command he laid before the house the dangers of armament, the terrible disasters that were likely to follow from having armies and navies and the countries simply waiting for an opportunity to use them. I do not need to quote the New York Nation in this regard, although it has an intensely interesting comment on the subject. All I will say is this: In dealing with the question of disarmament, we are dealing with a tremendously intricate problem. We are dealing with national jealousies, hatreds, fears, aspirations; we are dealing with the injustices perpetrated under the treaty of Versailles; we are dealing with many problems which we in this country have but the smallest conception of, and above all, we are dealing with chancelleries whose whole mental machinery has descended to them from, or has been constructed out of, the old

policies of the past when treaties were made for the purpose of successfully waging war, not for the purpose of establishing peace, and until we can secure in the chancelleries of these countries persons who are pledged to peace and have the spirit and the will for peace, it is going to be a very difficult problem for us to solve. The only thing we can do is to do our best to solve it. Sir George Aston in his book on war, uses these terms:

> The march of science has brought the whole human race into such close relationship that the life of every man, woman and child is intimately affected by conflicts.

No one questions that. The leader of the opposition reiterated it again and again in his speech, and I say that there is more hope for peace in the growing realization by all peoples of the truth of this statement of Sir George Aston's, the realization that any future major war will leave no part of the country free from the possibility of attack, but will expose every citizen, whether he be a prime minister or a preacher, a school teacher or a school boy, an inmate of a hospital or an old men's home, to being brought into actual personal contact with the conflict—there is more hope, I say, in the growing realization of that truth than there is in this pact of peace. Indeed, I will go this far and say that the pact of peace is an attempt to crystallize into definite form that realization which has been growing for the last ten years in the hearts of all people. No brush, Mr. Speaker, could paint the horrors that will face civilization should we permit another major conflict to ensue. No words could describe, no imagination could even picture what is likely to occur. I therefore urge that in further pursuing this matter, the government of this country should, in addition to endeavouring to secure a proper definition of self-defence, go to the length of doing its best to be effective by sending out an invitation to Great Britain and the other nations of the British commonwealth of nations and to the nations of the world to hold a disarmament conference. Do not wait for somebody else to do it; let us do it. Let the Prime Minister add still further to the laurels he has already gained by taking the first step in this direction.

Let us hold the conference here in Ottawa, far from the evil influences of London, Washington, Paris or any of those centres of the old diplomatic school. Let us make an appeal to the peoples of the world to come to us, one of the most peaceful nations on earth, with the greatest record of peace that I think any nation has, with a marvellous country to show them, and let us demonstrate to them as clearly as we can our willingness to implement this treaty by real work. Faith? Yes. An expression of faith, say the Prime Minister. An expression of faith, says the leader of the opposition. But faith without works is dead. Let us now go to work. There should be little difficulty in inspiring the imagination of statesmen like my right hon. friend, like Premier Briand, like Secretary Kellogg, like ex-Prime Minister Ramsay MacDonald. Others may not readily do so, but these men will respond. Then let us hold the conference free from the entanglements of experts, naval and military, except in an advisory capacity. Even there I would limit rigidly their powers in the course of the discussions.

Let us do this and so give the world that is struggling onward some real realization of the desire for an international civilized social order somewhat akin to the social order now definitely established within each state. Surely if the mind of man is sufficiently brilliant to conceive of these marvellous engines of production and of transportation that have so limited the area of the earth that to-day it is simply a matter of hours to span it, surely I say it can conceive and do for us that which must be done if we are to save our civilization.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, it is not my purpose in closing the debate to prolong in any particular the discussion which has taken place. I have rather in view a desire to give expression, on behalf of the government, to our appreciation of the tone of the debate throughout, to express satisfaction with the high level on which it has been maintained, of the sincerity with which hon. members from their different points of view have dealt with this all-important subject; and above all to say that I agree most heartily with the hon. member for St. Lawrence-St. George (Mr. Cahan) when he says that there is one thing at least about which there can be no doubt, and that is the perfect unanimity with which this House of Commons gives its approval to the treaty itself.

One or two references have been made by the last speaker (Mr. Garland) to the question of reservations. I do not wish to go into that subject at the moment, but I would point out to him with respect to the so-called Chamberlain reservations, that since the time Sir Austen Chamberlain made the statement that there were certain regions which Great Britain regarded as vital, and which could not be attacked without her feeling that a

question of self-defence might present itself, practically all the nations of the world have signified their intention of adhering to the treaty. What powers Sir Austen Chamberlain may have had in mind as the ones likely to attack the regions to which reference has been made, I cannot say. I am quite certain, however, that they were not the one or two countries of South America which up to the present time have not signified their intention of adhering to the treaty. The fact that all countries now have virtually signified their intention so to do makes it quite evident that the so-called reservation at one time made by Sir Austen Chamberlain is no longer a matter of any significance, inasmuch as if one of these countries, or any country adhering to the treaty, is attacked by an aggressor, immediately other countries are relieved from their obligations under the treaty not to resort to war. So far, therefore, as the reservation made by the Secretary of State for Foreign Affairs of Great Britain is concerned, having regard to the present position of the treaty, I think, we may say, as Sir Austen Chamberlain himself did say, that Britain's adherence is given without any reservation.

It is always a difficult matter to interpret what may be in the minds of individuals or of nations. I doubt if any of us are justified in judging other individuals or other nations. I think we are safe if we continue to hold that "By their fruits ye shall know them," and if we believe that the nations which have signed this treaty have done so believing in their hearts that they were helping to mark a place of new beginning in the relations towards each other of the nations of the earth. That place of new beginning will, without question, have its effect upon international law. International law, like everything else, is a matter of growth, of evolution. International law, in years gone by, was based upon the theory that war might be an instrument of national policy, that it had a certain legitimacy, that it was an attribute of national sovereignty. That can now no longer be asserted of war. War has lost its legitimacy, it has lost any association with the sovereignty of nations, it has become a thing that is abhorred and outlawed so far as the world is concerned, and from now on the nations of the earth will seek through the medium of international conferences and in other ways so to restate or develop the underlying principles of international law that instead of their being based on any theory of the possible exercise of force as a legitimate sanction on the part of nations in their relation with each other they will have to be based on some theory of the settlement of all international controversies by pacific means. I believe in that particular a great advance has been made, and I am sure that we shall see at the League of Nations and at other international conferences efforts made for disarmament, for arriving at understandings between countries as to the governing principle in such matters as the freedom of the seas, efforts to lay down a new course of procedure, not entirely new perhaps, but at all events of a character which will beget an adherence to understandings, to principles and to obligations such as has not been possible heretofore.

May I say to my hon. friend who has just spoken that I think we are indebted to him for having brought into the discussion the name of Professor James T. Shotwell. It had been my intention to make reference to Professor Shotwell, because without knowing how far my hon. friend may be justified in all he has said, I feel certain that those who know most about this treaty would be the first to concede that Professor Shotwell's part had been an all important one. Without doubt the best treatise on the question of war as an instrument of national policy, on the Briand-Kellogg peace pact, is the volume which I hold in my hand, and which is entitled War as an Instrument of National Policy and its Renunciation in the Pact of Paris, by James T. Shotwell. The fact that Professor Shotwell, now a professor at Columbia university, is a Canadian and a graduate of Toronto university is I think a source of pride to us all.

With regard to Canada's position in the matter of reservations, that was made quite clear in the correspondence which was brought down. There was one feature about our reply to the invitation which was extended, a feature which distinguished it in one particular perhaps, from others that were received namely, it was the briefest and the most to the point. The communication in which Canada's reply was sent reads:

Office of
The Secretary of State for
External Affairs, Canada.
Ottawa, 16th July, 1928.

Sir,—I desire to acknowledge your note of June 23rd and the revised draft which it contained of the treaty for the renunciation of war, and to state that His Majesty's government in Canada cordially accepts the treaty as revised and is prepared to participate in its signature.

Accept, Sir, the renewed assurances of my highest consideration.

(Sgd.) W. L. Mackenzie King,
Secretary of State for
External Affairs.

The Honourable William Phillips,
Minister of the United States of America,
Ottawa.

Mr. BOURASSA: To whom was that sent?

Mr. MACKENZIE KING: To the Hon. William Phillips, United States Minister to Canada. It was from the office of the Secretary of State for External Affairs. In referring to Professor Shotwell and his part, having in mind as well what the hon. member for St. Lawrence-St. George (Mr. Cahan) was kind enough to say with respect to some of the despatches, I had intended to mention, that public men are more indebted than is generally known to scholars and to those w'o assist in expert positions in the public service.

Mr. JACOBS: Sometimes public men are scholars.

Mr. MACKENZIE KING: What I wish to say in regard to the work of the Department of External Affairs is that too much credit, where credit is due at all, cannot be given to the Under Secretary of State for External Affairs, whose quite exceptional talents and services we are so fortunate as to have at the present time. I refer of course, to Dr. O. D. Skelton.

There is just one word further I desire to say before I conclude. I should like to thank my hon. friend the leader of the opposition (Mr. Bennett) for his kind congratulations upon the small part I played in representing Canada at the signing of the peace pact in Paris, and also to express to other hon. members in the different political parties my very sincere appreciation of the extremely generous way in which many of them have made reference to that part and to my presence at the League of Nations in Geneva. It was a great privilege and honour to have had the opportunity of representing Canada in the signing of a document as momentous as this treaty for the renunciation of war, and to have had the privilege of participating in a conference as memorable as that which was held at Paris. Great as was that honour and privilege, I am sure hon. members will believe me when I say that there is something which I shall always cherish even more deeply. It is that in seeking to discharge my duty as the representative of Canada on that occasion, in the endeavour to give expression to what I believed to be the single mind of this country, I appear, if I am to judge by what has been said, not to have too greatly disappointed the expectations of some of my friends, and to have been so fortunate as to have won the kindly approval of my fellow members in this parliament.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINES

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in measures to provide for the construction prior to the 31st day of August, 1932, of the following Canadian National Railway branch lines:—

1. From a point on the Murray Harbour branch to a point on the Georgetown subdivision of the Canadian government railways in the province of Prince Edward Island. Estimated mileage, 10; average expenditure per mile, $37,000; estimated cost, $370,000.

2. From Sunnybrae to Guysborough, in the province of Nova Scotia. Estimated mileage, 67; average expenditure per mile, $52,238; estimated cost, $3,500,000.

3. From a point on the Dundas subdivision near Brantford to a point on the Dunnville subdivision near Cainsville, in the province of Ontario. Estimated mileage, 6·1; average expenditure per mile, $221,311; estimated cost, $1,350,000.

4. From a point on the Garson branch to the Falconbridge mine, in the province of Ontario. Estimated mileage, 4; average expenditure per mile, $46,250; estimated cost, $185,000.

5. From a point on the Sudbury branch to a point in the township of Fairbank, in the province of Ontario. Estimated mileage, 25; average expenditure per mile, $74,000; estimated cost, $1,850,000.

6. From a point near Melfort to a point near Aberdeen, in the province of Saskatchewan. Estimated mileage, 89; average expenditure per mile, $31,460; estimated cost, $2,800,000.

7. From a point near Central Butte or Mawer to a point in township 18 or 19, range 10 or 11, west of the third meridian, in the province of Saskatchewan. Estimated mileage, 50; average expenditure per mile, $36,000; estimated cost, $1,800,000.

8. From Neidpath to a point on the Canadian Pacific railway near Swift Current, in the province of Saskatchewan. Estimated mileage, 31; average expenditure per mile, $38,709; estimated cost, $1,200,000.

9. From Ridgedale, in the province of Saskatchewan, thirty miles towards The Pas, in the province of Manitoba. Estimated mileage, 30; average expenditure per mile, $36,666; estimated cost, $1,100,000.

10. From a point near Unity to a point near the provincial boundary in township 36 or 37 in the province of Saskatchewan. Estimated mileage, 50; average expenditure per mile $35,000; estimated cost, $1,750,000.

11. From a point near Hamlin to a point near Glenbush, Medstead or Robin Hood, in the province of Saskatchewan. Estimated mileage, 33; average expenditure per mile, $34,848; estimated cost, $1,150,000.

12. From St. Walburg, in the province of Saskatchewan, to Bonnyville, in the province of Alberta. Estimated mileage, 117; average expenditure per mile, $36,000; estimated cost, $4,212,000.

13. From Alliance to a point near Youngstown or Dobson, in the province of Alberta. Estimated mileage, 82; average expenditure per mile, $36,000; estimated cost, $2,952,000.

14. From a point at or near Bulwark to a point in township 38 or 39, range 8, west of the fourth meridian, in the province of Alberta. Estimated mileage, 25; average expenditure per mile, $35,000; estimated cost, $875,000.

15. From Hemaruka to Scarpa, in the province of Alberta. Estimated mileage, 41; average expenditure per mile, $35,000; estimated cost, $1,435,000.

16. From a point near Swift Creek to a point near Tete Jaune, in the province of British Columbia. Estimated mileage, 12; average expenditure per mile, $60,000; estimated cost, $720,000.

17. From New Westminster to a point on Lulu island, in the province of British Columbia, with branches therefrom. Estimated mileage, 29; average expenditure per mile, $51,724; estimated cost, $1,500,000.

He said: Probably it would facilitate the business of the house if I made a brief statement now, before the Speaker leaves the chair. What I say at this time can, of course, be supplemented later in committee. Hon. members opposite indicated on a former occasion a desire for such a procedure with respect to a similar motion.

Mr. BENNETT: Hon. members might wish to ask questions, and if the Speaker left the chair the minister could then be in a position to reply as he proceeded.

Mr. DUNNING: I am content to go into committee immediately.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING: In presenting this resolution I desire to call attention to the fact that the same procedure is being followed as on the last occasion when it was my privilege to introduce a branch line program for the Canadian National Railways.

The resolution, it will be noted, contains seventeen items which will be represented by seventeen separate bills which I hope to introduce after the resolution has been adopted by the committee. Following first and second readings, I shall, as on the last occasion, move that the bills be referred to the committee on railways and canals in order that the officers of the company may appear before that committee and give full information to its members with respect to the proposals which they have recommended to the government in the way of new railway construction.

Briefly, I may observe that the great development which is taking place across Canada, evidenced by increased traffic receipts on our railways, and the further fact that the existing three-year program of Canadian National construction is now in its last year, moved the management of the Canadian National to make a close investigation of the interests, in a branch line sense, of the system. The same considerations moved them also to take into account all requests received from all parts of Canada for facilities of this nature. Their examination of the circumstances has resulted in the recommendation by the management to the board of directors, and in turn to the minister and to the government and to this house, of the program of construction for the next three years as outlined in the resolution now before the committee.

The new program is considerable in its extent. It will represent 701 miles of new railway to be constructed by the Canadian National system within the next three years, at a total estimated cost of $28,749,000. In this connection I should say, however, that the other great railway corporation has also indicated by advertisement its intention to ask for power from this parliament to construct a very considerable mileage of new lines.

Mr. BENNETT: Much more than here indicated.

Mr. DUNNING: It is much more in actual extent. It became apparent, upon the publication by the two railway companies of their proposals, that there was danger, if both were proceeded with, of duplication, very uneconomic in character so far as the people of Canada are concerned; and for that reason the government urged upon the managements of both roads the desirability of a conference to adjust their efforts along sound lines, in such a manner as to avoid useless expenditure. Personally, I have taken the view throughout that not only is duplication wasteful, in providing facilities to a greater extent than are now needed in certain areas, but that it is also wrong to assume that, because the Canadian Pacific are spending money in a manner which might prove to be uneconomical, therefore the people of Canada do not suffer inasmuch as it is the money of the Canadian Pacific which is being spent. I hold that view to be entirely wrong; I believe that in fact the people of Canada must pay for uneconomic railroading in the last analysis, whoever does it, and because the government hold that view we feel that we are not stepping beyond what is our duty in asking the managements of these two great corporations to endeavour to cooperate, to the end that useless or uneconomic duplication of facilities may be avoided.

I mention this fact because the mileage and the total to which I have just referred may be and I hope will be subject to some modi-

fication by reason of the conferences which have occurred and by reason of possible joint facilities in certain areas rather than duplicate facilities, the full details of which I am not in a position to place before the house to-day. However, I am in a position to say that the areas of possible conflict have been narrowed to one area by conference between the managements of the two systems. So far as I know at present, in the railway committee there is likely to be conflict between these two great systems with respect to only one area in Canada, and I may express the hope that by the time the railway committee stage is reached even that difficulty may be straightened out by the mutual efforts of the managements concerned.

Perhaps it would be well for me to mention another phase of this matter in order that the committee may have before them full knowledge of the intentions of the Canadian National both with respect to the construction of new lines and the purchase of existing lines to which reference was made in the speech from the throne. Strictly speaking the purchase of lines is not presently before the committee; I intend not to discuss it but merely to give the committee information as to what is in the mind of the management and what the management have recommended to the government in respect to purchase.

It is proposed by the management, and I expect to introduce a bill to enable such action to be taken, that the Canadian Pacific Railway and the Canadian National Railways jointly purchase the railways known as the Edmonton, Dunvegan and British Columbia railway, the Pembina Valley railway and the Central Canada railway, the combined names signifying what we usually know as the Peace River lines and also the Alberta Great Waterways railway owned by the government of Alberta. It is also intended upon the recommendation of the management—and you may take it for granted that the management is recommending and has conducted the negotiations in each of the cases to which I am referring—to propose the purchase of the Quebec Oriental railway and the Atlantic, Quebec and Western railway, which two lines together comprise what are usually known as the Gaspe lines, serving the Gaspe peninsula in the province of Quebec. In New Brunswick, although the negotiations between the management of the Canadian National railways and the government of New Brunswick are not complete, with some minor details remaining to be ironed out, in general I can indicate that it is proposed to purchase the St. John and Quebec railway, usually known as the St. John valley railway, and it is also proposed to purchase the Quebec, Montreal and Southern railway, presently owned by the Delaware and Hudson Railway Company, along the south shore of the St. Lawrence river from the city of Montreal. I give this just as a matter of information in connection with the construction program in order that members of the committee may have in mind the whole of the Canadian National proposals.

Mr. BENNETT: What sum of money is involved in the last three purchases?

Mr. DUNNING: Offhand I cannot answer my hon. friend, but I can give him the figures from memory, subject to correction.

Mr. MacLAREN: Will the Kent Northern railway be included?

Mr. DUNNING: Negotiations are proceeding in that case. The management of the Canadian National railways undertake the negotiations with respect to all these matters, and when a point is reached at which the railway management is satisfied that an economic arrangement with the vendors is possible, then a request is made as to whether or not the government will approve of purchase on the terms arrived at.

Before leaving these roads I should mention one other of interest to hon. members from British Columbia, in connection with which negotiations have been going on for some time without success. A new arrangement has been entered into between the government of British Columbia and the managements of the Canadian Pacific and Canadian National railways whereby a survey will be undertaken jointly by the three bodies into the resources of the country which conceivably might be served by any extension to the present Pacific Great Eastern railway.

The leader of the opposition was asking for figures. With respect to the Quebec, Montreal and Southern railway my memory is that $6,000,000 is the figure; with respect to the Gaspe railways, $3,500,000. I have not in mind the figure for the St. John valley railway, but I believe it to be about $6,000,000. With regard to the Kent Northern railway, an offer of $60,000 was made many years ago, and I cannot say what the amount might be in that case. In the Duncan report it was mentioned as being desirable that negotiations should be entered into once more for the purchase of that line, and at the interprovincial conference it was urged by the representatives of the provinces that negotiations should be undertaken in connection

with other railways to which I have referred. At that time the federal government indicated its willingness to instruct the management of the Canadian National railways to enter into negotiations with respect to these various lines, not only the ones in New Brunswick but the others to which I have made reference. I am afraid I am really a little out of order in discussing the purchase aspect of the matter.

Mr. BENNETT: That is nothing new.

Mr. DUNNING: As my hon. friend says, it is nothing new for me or for him to be out of order, but with respect to the program of construction now before the committee, I think that can be examined in detail with much greater facility before the standing committee on railways, canals and telegraph lines. I am not asking in any way that discussion should be limited on this occasion, nor do I desire that discussion be curtailed when the matter is brought back from the committee.

Mr. GUTHRIE: The present construction program involves an estimated expenditure of $28,000,000, I understand?

Mr. DUNNING: Yes.

Mr. GUTHRIE: And the contemplated acquirements involve an expenditure of from $16,000,000 to $20,000,000. How does the minister propose to finance these expenditures? Will it be done by the sale of bonds?

Mr. DUNNING: Each bill asking authority for a branch line contains a standard clause which I think the leader of the opposition helped me frame the last time we had such a program, authorizing the financing of the particular project by an issue of bonds.

Mr. GUTHRIE: I suppose these will be guaranteed bonds?

Mr. DUNNING: Yes.

Mr. GUTHRIE: To what extent were new issues of bonds made by the company and endorsed by the government during the past year?

Mr. DUNNING: I have not that information at hand, but I shall be glad to get it.

Mr. GUTHRIE: I have been told the amount is about $100,000,000. Is that correct?

Mr. DUNNING: I cannot answer that now. There was a large volume of refunding during the last year. I will get the information for my hon. friend.

[Mr Dunning.]

Mr. GUTHRIE: I would like to know the amount of new bonds issued during last year; what bonds were for refunding, and what the purpose of the refunding was. I suppose the balance would be for new undertakings, equipment and the like?

Mr. DUNNING: Yes.

Mr. BENNETT: To cover the steamship company, too?

Mr. GEARY: Referring to the possible conflict between the two roads as to the occupation of territories, will the Minister of Railways be good enough to tell me if when this matter comes before the railway committee, the information in regard to the Canadian Pacific application will be before us? Are they making applications for new charters or for renewal of old charters, or how does that company propose to extend its services?

Mr. DUNNING: The procedure with regard to the Canadian Pacific Railway Company will be the same as it has always been, by way of a private bill. That private bill may include applications for new charters and applications for the renewal of some old charters. With respect to the one area of conflict, I have no doubt that the railway committee will listen to the representations of both companies regarding that territory in dispute, whether it happens to be dealing with the Canadian National bill or the Canadian Pacific bill.

Mr. GEARY: They will both be before the committee?

Mr. DUNNING: Of course. I will be in the hands of the committee, but judging from previous experience, I imagine the committee will be able to thresh this matter out whether it arises on the Canadian National bills which I am introducing now, or on the Canadian Pacific private bill.

Mr. MANION: Will the minister be willing to give a statement to the committee as to what progress has been made in the negotiations between the two companies toward reaching an understanding?

Mr. DUNNING: I think my hon. friend was out when I gave that information a few moments ago. The range of possible dispute has narrowed down to one area.

Mr. CAMPBELL: Might I ask the minister just what particular area that is?

Mr. DUNNING: I suppose it is no secret, having regard to the discussions in the press; it is the area between Aberdeen and Melfort in the province of Saskatchewan.

Mr. TOTZKE: Does the minister think there is any possibility of reaching an agreement on that particular dispute?

Mr. DUNNING: I have hope, but it is not a very confident hope.

Mr. TOTZKE: I have serious objections to make to the route being followed by both these lines. I presume I can make those objections when the matter comes before the committee?

Mr. DUNNING: Yes.

Mr. GERSHAW: The publication of this program of branch line construction will bring great disappointment in the district whence I come. There is a large area about 200 miles square in southern Alberta without any Canadian National railway service at all. There are upwards of 100,000 people in this district, and like other people of Canada they have contributed to the support of the Canadian National railways but they receive nothing in return. I wish to speak of one line in particular, namely the Medicine Hat-Hanna branch. Hanna is on the Canadian National railway line running from Saskatoon to Calgary. The rails were laid down to a point called Steveville. The grade was continued through to Redcliff many years ago, but the railway has never been completed.

The district through which this grade runs is a very fertile one and would support a large population were the line only completed. This grade goes into the town of Redcliff where there are large brick plants, clay product plants, and the Dominion Glass Works. It was expected that the line would be continued through to Medicine Hat or running rights obtained over the Canadian Pacific. There are large industries in this latter city, including flour mills with a capacity of about 6,000 barrels per day. The daily freight originating in this city amounts to about fifty carloads.

The farmers who live along this grade were definitely promised this railway many years ago when a delegation of them met the then president, Mr. Hanna. A contract was entered into with the town of Redcliff whereby the town was to do certain things and in return the Canadian Northern Western railway was to complete a branch into the town. A definite contract was signed with the city of Medicine Hat, and the city has carried out its part of the contract and spent a lot of money in doing so. But the railway company has not done anything as yet toward the carrying out of their part of the contract. The people in this district have been very patient, both during the years of the war and after, but within the last year or two they have made vigorous demands that the remainder of this line be completed. As three-quarters of the expenditure for this line has been made and three-quarters of the line built, the people can see no good reason why it should not be completed at once. I would like to urge upon the minister and the members of this house the necessity for giving this matter immediate attention, because the people of Medicine Hat can show that they have lost considerably through not having north and south railway accommodation. New industries will often not go to Medicine Hat or Redcliff because there is no railway competition. The industries there are at a great disadvantage through not having direct communication with the Canadian National line. Other lines have been promised in the district, but I wish to emphasize the necessity of this one particular stretch of railway, and ask the minister to use his influence to have the management of the Canadian National complete this line at the earliest possible day.

Mr. GARDINER: I wish to take this opportunity of supporting the hon. member for Medicine Hat (Mr. Gershaw) in his request. I had the privilege at one time of representing that constituency in this house, and I know of their difficulties.

This grade was built, I believe, in 1921 from Hanna to Medicine Hat, but the steel was laid only to Steveville. The result is that south of the Red Deer river there is a good grade built but no steel, and the farmers of that district cannot understand why the railway has not been completed. The last time I was in that part of the country I had the opportunity of motoring over this roadbed, and I can assure the house that it is well built. I have many friends and acquaintances who have left this district simply because there are no transportation facilities.

We are spending millions every year to bring people into Canada and settle them on western lands but, in my judgment this money would be better spent in providing branch lines for the people already here, and more particularly in laying steel on grades already completed.

I would direct the minister's attention to the fact that the Canadian National Railways have many projects of this sort in western Canada where the grade has been built and where no steel has been laid upon the grade. Under those circumstances one can well understand what the people will think of a person who will construct those road-beds without putting the steel on them and giving the service which the people demand. We are extending our railroads north, and that is quite proper; we realize that the people of

the north require transportation facilities. But anyone cognizant of farming conditions in western Canada knows that, comparing the open prairies with the wooded or bluff parts of western Canada, it is much easier to develop a farm on the open prairie than in the bush. I have had experience in both. When I first started farming in western Canada I lived at North Battleford and I know how hard it is to cut down the bush and get the land cultivated. The work is much easier out on the open prairies and consequently when we find quite a long stretch of railway grades built on the open prairie where the people are willing and eager to extend their operations, it is hard to understand the purpose of the management when they leave those grades without any steel on them. I could mention to the minister several places in a similar position to those that have been referred to by the hon. member for Medicine Hat (Mr. Gershaw).

Mr. CAMPBELL: In spite of what the Minister of Railways has said about the desirability of the two roads getting together and ironing out their difficulties, I think we are to be congratulated that we have in Sir Henry Thornton and his board of directors a body of men who have shown intelligence and interest enough in the road to see that they are going to get whatever is coming to the Canadian National. There might be a good deal of danger in this ironing out process of the Canadian National not getting a square deal. When the opening up of the north country was considered a doubtful experiment; when the members of the house were opposed to opening up that country by means of a railway, no one ever thought of approaching the Canadian Pacific to do that; we had to fall back upon our own railway. Now that we have found the wealth increasing in that north country; now that experiments have shown pretty clearly, at any rate, that the project of opening up the north country and developing a route to the sea is favourable, it would be an act of injustice on the part of the house to permit the Canadian Pacific to acquire territory there that is wanted by our own road. I certainly hope when this matter is being considered by the railway committee that, as regards the disputed areas, they will take that into consideration and give preference to our own railway, the Canadian National.

Mr. LUCHKOVICH: I understand that the Canadian Pacific also have a branch line project and from some of the speeches I have heard I have come to the conclusion that in at least one district there is danger of serious conflict. In view of this serious conflict in at least one district, I think the district represented by the hon. member for Melfort or some other member on the other side, I should like to ask the Minister of Railways just what the minister's position and also the relative position of the Board of Railway Commissioners would be in respect thereto. I have in mind the construction by the Canadian Pacific of a railway from Cut Knife to Willingdon and a continuation of that construction from Willingdon to Edmonton. Here the Canadian National and the Canadian Pacific have been duplicated and paralleled for about thirty miles. Two or three miles from the little town of Lamont they built a station and from the town of Lamont you can see the elevators at the other station. About three miles from the town of Bruederheim they built another station and from the town of Fort Saskatchewan they built another. These stations can easily be seen from these three points on the Canadian National. As a matter of information, what would be the relative position of the minister and the Board of Railway Commissioners should such a conflict occur in one of the districts in which these branch lines are being projected?

Mr. DUNNING: Perhaps all the questions could be asked first and I could make reply.

Mr. SMITH (Cumberland): The minister mentioned certain existing lines that were to be acquired. Did he mention all that are to be acquired this year?

Mr. DUNNING: I think I mentioned all that are likely to be acquired, and even qualified that to the extent of saying that the management is still in negotiation with regard to some of them. I am certain of having bills with respect to the Gaspe railway, the Quebec, Montreal and Southern, the Edmonton Dunvegan and associated lines, the Alberta Great Waterways. In all probability, almost certainly the negotiations with the province of New Brunswick with respect to the St. John valley railway will be completed. I am not so clear as to the Kent Northern, as I explained to the hon. member for St. John-Albert. I think this is all.

Mr. SMITH (Cumberland): Is the acquisition of the railway owned by the Maritime Coal, Railway and Power Company in Nova Scotia from Maccan to Joggins Mines under consideration by the board?

Mr. DUNNING: I have no knowledge of negotiations with respect to it.

Mr. SMOKE: Item number three in the resolution provides for the construction of a cut-off:

From a point on the Dundas subdivision near Brantford to a point on the Dunnville subdivision near Cainsville, in the province of Ontario. Estimated mileage, 6.1; average expenditure per mile, $221,311; estimated cost, $1,350,000.

That is a large amount of money to spend per mile and there must be some explanation of it. Am I to assume that this means there will be grade separation throughout? Between the termini of this cut-off the new road will cross fifteen or twenty and perhaps more public highways in the township of Brantford. It will cross provincial highway number two which is a paved road running from Montreal to Windsor. It will cross a provincial road from Paris to St. George running on to Galt. It will cross another extensively travelled road known as the White School road leading north from the city of Brantford, perhaps two concession lines and a number of highways in subdivisions in the suburbs of the city of Brantford. It will likely traverse a largely populated section of that portion of the city of Brantford. It is possible that the extraordinary amount required per mile is for grade separation. Can the minister give the committee any information on that point?

Mr. KENNEDY: While it is not mentioned in this resolution, the minister did mention that a bill would be introduced later dealing with the acquisition of the Alberta railways—the Edmonton, Dunvegan and British Columbia, the Pembina Valley railway, the Central Canada railway, and the Alberta Great Waterways railway. Will that bill be sent for examination to the committee after it has been presented to the house?

Mr. DUNNING: I think beyond a doubt it would be wise to send that bill to the railway committee. The wise procedure with respect to all these bills providing for the purchase or building of Canadian National branch lines and involving the necessity of examining the officials of the system, is to send them to the committee.

Mr. SPEAKMAN: I think this is an opportune time again to mention a subject that was touched on by the hon. member for Acadia (Mr. Gardiner), on a former occasion, namely to the different procedure that must be followed by the Canadian National and Canadian Pacific railways in obtaining charters for the construction of branch lines, and the necessity of placing the two railways on a common basis.

As the minister is well aware, and as I think the house also is aware, under the present procedure the Canadian Pacific railway has a very distinct advantage over the Canadian National. The latter must bring forward its program of projected construction and ask for permission to construct certain lines, and concurrently the money is provided to carry on that construction. But on the other hand the Canadian Pacific Railway Company may, and frequently has done so in the past, secure charters for branch lines which they have no immediate intention of constructing—charters which are of a blanket character, reserving or preempting the territory for their own use at some future time when conditions will permit construction to be proceeded with. I have no intention of debating the question at the moment, but this would seem an opportune time again to bring the matter to the attention of the minister and of the house, with a view to ascertaining whether some provision will not be made to place both these companies, which are of equal value and importance to the country, on a basis of absolute equality in this respect. Until this is done it is obvious that in the years to come, even more so than at present, the Canadian National will be labouring under an increasing disadvantage in the construction of its branch lines, and we shall find, when the Canadian National is in a position to build into territory where it should be operating, that the territory has been preempted by the other railway and the Canadian National therefore cannot build the branch lines which are necessary to complete its system and enable it to carry on its operations with the same success that characterizes the privately-owned road.

Mr. MACDONALD (Cape Breton): I notice that this resolution contemplates the building of only one branch line in Nova Scotia. I would urge upon the government that it immediately take into consideration the advisability of extending, as far as Louisburg, the present St. Peter's branch of the Canadian National railway, in order to give that section of the country the transportation facilities that it urgently requires. This project has been under consideration for many years, in fact, ever since confederation, and it should have been the route followed when the old Intercolonial railway was built to Sydney many years ago. But political pressure forced the building of the Inter-

colonial along its present route to Sydney, with its expensive bridging, its high grade, and consequent high maintenance costs.

The old Intercolonial railway has no open winter port in Nova Scotia outside of Halifax and no open winter port on the island of Cape Breton. With the extension of the Cape Breton line from St. Peter's to Louisburg we would have direct access to one of the finest ocean ports in Canada, one that is open all the year round. It is situated in the north Atlantic, nearer to Europe and to all ocean trade routes than any other port in North America, and is adjacent to the world's finest fishing grounds, with unexcelled facilities for bunkering in a very short time the largest vessels afloat. For the last two or three hundred years the fleets of every nation have fished in the vicinity of Louisburg. Our coal mines are only a few miles distant. These advantages were recognized by the French as far back as the seventeenth century, and they made Louisburg their chief port of call for all their ocean traffic, as well as building at Louisburg the strongest fortress in America.

From a tourist standpoint, historic Louisburg, with its ancient landmarks and magnificent scenery, would greatly benefit by railway connection. At the present time the tourist traffic is seriously handicapped by lack of railway facilities. The proposed extension that I am urging upon the government would pass through one of the finest agricultural districts in Cape Breton. The fertile valleys of the Loch Lomond district, Salmon river, and the Grand Mira are equal to the best agricultural districts in Canada. The remaining portion of the country is well adapted to sheep raising and dairy farming, both of which are now carried on to some extent, but are seriously handicapped through lack of railway facilities.

The fisheries along the sea coast, especially from Scatarie island to Isle Madame, are among the finest in the world, but they require railway transportation in order that their products may be marketed in the fresh state, so that the fishermen in that vicinity will have a chance to earn a livelihood. Various resolutions have been adopted by the different fishing organizations of the district calling for relief in the direction of railway transportation, and in addition, they laid their case before the royal fisheries commission which sat in Nova Scotia in 1927. I quote from page 58 of the report of that commission:

> During the winter months some of these localities are almost completely isolated. Railway service in such places would aid greatly in the development of the fishing industry, by providing facilities for marketing and for the more rapid obtaining of supplies.

[Mr. J. A. Macdonald.]

If we intend to help the fishermen of Nova Scotia, and especially the fishermen of the county of Richmond—West Cape Breton, we must give them the railway facilities they have been demanding for a great many years.

Mr. BENNETT: How many miles would be involved in the proposed extension?

Mr. MACDONALD (Cape Breton): Eighty-four. In this district is to be found the only virgin forest remaining to the province of Nova Scotia which has not been alienated. Large quantities of pit timber, which is so greatly in demand for use in our coal mines, exists in this area. We have pulpwood sufficient to keep a one-hundred-and-fifty ton per day pulp mill operating for the next forty years, but this great source of wealth cannot be tapped unless the proposed railway extension is carried out. In this same district, too, are to be found minerals of every variety. A four-foot seam of semi-anthracite coal, superior in quality to anything yet discovered on Cape Breton island, has been worked for the past year in the Glengarry valley. It was compelled this winter to close down owing to lack of railway transportation. Large quantities of manganese are also to be found in this district. These deposits were worked in bygone days, but owing to lack of railway transportation the operations were compelled to shut down. Iron ore, limestone, gypsum and building material are also present in large quantities. Immense quantities of high percentage zinc, copper and lead ores exist and are to-day being worked by the British Metals Corporation. This corporation have enough material exposed to keep them going for the next five years. They have spent upwards of $300,000 in prospecting and in development work. It is their intention as soon as spring opens to employ from 250 to 300 men and erect a plant for the reduction of those ores.

I wish to point out, Mr. Chairman, that large scale development in this district is impossible unless the much needed railway transportation is given this district. The great need of this country to-day is increased population and industrial development. The possibilities of the constituency of West Cape Breton and Richmond are sufficient, if developed, to provide a livelihood for a vastly increased population. Conditions which have hitherto existed in that district unfortunately tended to drive away to more attractive fields the most promising element of our population. In practically every case those young men and women have made good in their new fields of endeavour. During the past eight years

$20,000,000 have been spent by the federal government to encourage immigration, bringing into this country a little less than a million new citizens, most of whom have left this country. A small portion of this money expended along the lines of my suggestion would bring back to this district large numbers of its former residents, the best type of citizens for this country.

During the life of the present government railway extension has been practically abandoned in Nova Scotia. While the railway statistics for the past eight years show that Canadian railway trackage, especially branch line, has been increased by over 2,200 miles, railway trackage in Nova Scotia has been actually reduced according to the government's statistics. This situation is manifestly unfair to the people of our province. To-day, by means of railway extensions, we are opening up vast sections of western Canada for the benefit of foreign immigrants, who are brought into this country at enormous expense to the federal treasury, while the people of the constituency of Richmond-West Cape Breton, whose forebears settled in Canada without government aid of any kind, are compelled to sit back and see this much needed assistance withheld from them. The time has come for us to demand from the present government that the people of the island of Cape Breton receive at least British justice.

Now, Mr. Chairman, I wish to hand in two resolutions bearing on this subject so that they may be placed on Hansard. One is from the municipal council of the county of Richmond, and the other is from the county council of Cape Breton.

Resolution passed by the municipal council of the county of Richmond.

Whereas the fisheries of Isle Madame and contiguous waters in the county of Richmond are an invaluable asset to this municipality and the entire Dominion as well, and

Whereas the farmers of Richmond, keeping pace with the times, are conducting operations on a vaster scale than heretofore, but

Whereas many farmers from the eastern sections have left their farms being unable to carry on their agricultural activities at a profit owing to lack of railway accommodation, and

Whereas the pulpwood, gypsum and other mineral resources of the county of Richmond are boundless, but their development is impeded owing to lack of adequate railway accommodation east of St. Peter's on the Canadian National Line, therefore,

Resolved, that this council in annual session convened, hereby memorializes the federal government to extend the present line of railway to St. Peter's eastward as far as Louisburg or Sydney, and to construct a branch into Arichat, the shiretown of Richmond, to be operated in conjunction with the main trunk line inasmuch as the federal government has acquired the present line to St. Peter's making it an integral part of our Canadian National Railways system, further,

Resolved, that the said government be memorialized to refund to this municipality the amount of ten thousand dollars—$10,000—borrowed to pay for the right-of-way when the said line was opened in 1903, further,

Resolved, that this council considers these demands neither unreasonable nor unjust, but the just deserts of the county of Richmond as an integral part of this great Dominion, with a right to its existence and an opportunity to work out its destiny as at present incorporated, and further,

Resolved, that copies of these resolves be forwarded to the Minister of Railways at Ottawa, and to every federal member in Nova Scotia with the request that they work in season and out of season for the consummation of these ideals so dear to our hearts and so vital to our interests.

Resolution passed by the county council of Cape Breton:

Whereas we, residents of Cape Breton West and Richmond county, being favoured by kind Providence in the variety, wealth, and magnitude of our natural resources, including among others, fisheries in variety and quality second to none in the province of Nova Scotia; virgin timberlands of vast extent, mineral wealth of such richness and variety as to induce the keenest interest by English and American capitalists; our already located mineral deposits, along the railway line, surveyed and located a few years ago, include coal, manganese, iron, gold, silver, copper and zinc. One deposit of the latter situated, in Sterling, Richmond county, is operating with gratifying results, even though so badly handicapped through lack of any measure of railway facilities. Our agricultural attainments and possibilities also are on a par with that of the province.

Whereas the fish market clamours for fresh fish from which for want of railway facilities we find ourselves ruled out;

Therefore, we humbly and confidently pray that your honourable council now assembled, give this matter of railway extension from St. Peters, Richmond county, to Louisburg your most considerate attention, and through the proper channels secure the necessary grants and contracts for the execution and completion of the same, in the attainment of which you are assured of the goodwill and cooperation of the grateful electorate represented by you.

Mr. BENNETT: Mr. Chairman, the only problem that we really have to deal with is that which is incident to competition between two great system of railways, and I suggested to the minister the other day, as I suggest to him now, that he is entitled to much congratulation on having been able to iron out the differences between the two great systems of transportation until to-day there is only one difference at issue. But there is a fundamental principle that I think this house should adopt in considering matters of this kind, and that is that the Canadian National system should be treated exactly as though it were a privately owned system;

that is, they should be treated in exactly the same way as the Interstate Commerce Commission would consider, for instance, an application by the Southern Pacific to invade the territory of the Santa Fe, or an application by the Santa Fe to build into Southern Pacific territory, so-called. Because we are owners of an enterprise, we must not treat that enterprise as though it were other than a privately owned company for the purposes of determining where lines should be built. There was a time when we had so-called spheres of influence amongst the nations of the world. It is alleged that there are spheres of influence with respect to transportation systems. I think probably that state of affairs will disappear as the country settles and we get more people, because it is obvious that as the population increases one system of transportation will never be satisfactory to densely settled communities; and under those conditions we cannot hope to maintain a monopoly, either for the privately owned road or for our own system.

When I went to western Canada there was but one system of railway operating in the provinces of Alberta and Saskatchewan, except some small subsidiary lines that were owned by others and operated by the Canadian Pacific. As population increased and traffic became denser, two other systems entered the field, the Canadian Northern and the Grand Trunk Pacific. Some of us ventured to point out that there was an endeavour to build many miles of railway in territory where the traffic would not support such additional lines. When we found an effort to duplicate the Canadian Northern system of that day by the Grand Trunk Pacific running from Winnipeg to Edmonton, we pointed out what the inevitable result would be. It is true we did not receive much commendation from the public for doing so, and certainly the electorate did not manifest any great enthusiasm for our suggestions. And yet we know that we had the absolute bankruptcy of two systems of railroad because this parliament guaranteed the securities of both in order that each might destroy the other. That is a historic fact.

Now, my hon. friend from Red Deer (Mr. Speakman) referred to the handicap that he thought the Canadian National System was under as compared with the privately owned system when projecting new lines. He forgets the fact that the people of this country build the one and not the other. He forgets that with respect to everyone of these lines now under consideration the credit of Canada builds it. Parliament has the estimate of price and the statement of mileage is submitted in order that we may understand exactly what our ultimate liability will be, because, as every thoughtful man knows, it is on the credit of Canada that the money is borrowed, and not on the credit of the railway system. Some of the branch lines projected, as the minister was good enough to say on previous occasions, are not lines that in themselves will be immediately productive, but they are built in order that that territory may receive needed transportation facilities even though at the outset a loss of money is involved. The country authorizes construction on the theory that you must, so far as possible, adjust those expenditures that transportation service may be rendered to all the people, and that where large surpluses are derived in one particular locality some of the money may be available to take care of what it is hoped will not long continue a deficit in another locality.

The principle I think we should adopt in dealing with the introduction of a second system of railway into a territory that is already being served, is the principle that would govern if both systems were privately owned. That is the course we should follow in dealing with competition, because our failure to do so in the past brought about the bankruptcy of two systems of railway in this country. The country's credit was behind both of them. But the country's credit today is behind only one; and if the efforts that are being put forward to make this system self-supporting are to succeed we must treat these matters as business propositions. So far as I remember, I am not on the standing committee on railways, and I shall not be available for the purpose of assisting in any work the committee may do. But I do desire at this time, before the bills go to the committee, to record my views from the observations that I have made in western Canada, where most of the lines are being built and will be under construction during a series of years. If we depart from the fundamental principle that we must treat these matters as business propositions, our efforts will fail. We must not have regard to what I might call the prejudices and passions that are sometimes aroused, from love of private ownership on the one hand and enthusiasm for public ownership on the other. We must treat each individual case on its own merits. We must treat these matters as though they were under the control of privately owned corporations, endeavouring to build railroads into territory which is served at the moment by one or the other system. That is the only

observation I desire to make in that regard. The hon. member for Medicine Hat (Mr. Gershaw), and the hon. member for Acadia (Mr. Gardiner), have spoken of a matter which, I think, well merits the attention of the management of the Canadian National system. I conceive of few things better calculated to leave a bad impression upon visitors to this country than that they should see a grade built with grass growing over it and without any steel laid. I can well recall an explanation which I felt bound to make on one occasion in this regard. Those who have travelled in the daytime from here to Toronto will have seen remnants of an old roadbed. I wonder whether hon. gentlemen realize that this country has a considerable interest in that old roadbed, which serves no useful purpose at the moment. I might have mentioned this by way of illustration of the other point I have made. There was a territory being served by two roads, and a third was built, because of the views entertained at that time by the management of another railway. To-day you will find concrete culverts along the line; the steel has been taken away, but the culverts remain and the approaches to the bridges still exist, while some of the ties are also to be found. Now, to every passenger who travels along the line adjacent to this old roadbed there is conveyed an impression which is not favourable to the country. The same thing is more remarkable still with respect to the line to which the hon. gentlemen from Medicine Hat and Acadia have referred. I recollect the building of the road from Hanna as far south as the Red Deer river—a river which is not easily spanned; it involves the expenditure of a considerable sum of money for bridging, and the difficulties encountered in getting into Medicine Hat are very great. Indeed, it is disclosing no great railway secret to say that were it not for the fact that a considerable community had been located there, the railway could construct a viaduct and go over the valley rather than climb the hills, as they have had to do ever since the road was built. The situation at Lethbridge necessitated the building of a viaduct as more profitable than climbing heavy grades. There is considerable difficulty in getting into Medicine Hat from Hanna. All this, I repeat, is bad advertising for Canada. For some time a grade has been built into Redcliff.

Mr. HEAPS: How long has that grade been built?

Mr. BENNETT: It has been built, to my knowledge, five years or more.

Mr. DUNNING: I know my hon. friend would not desire to be unfair to the Canadian National system—

Mr. BENNETT: No, and I was about to say that this was a Canadian Northern enterprise. I was going to fix the date. The initial construction of the line was not undertaken after the consolidation of the Canadian National system; the road was projected and built to its present point by the Canadian Northern enterprise. The grade is a good one, as the hon. member for Acadia has said. Now there is this to be observed: when settlers come into the country and take up homesteads or acquire by purchase land contiguous to the grade of railway which is under construction, I think there is an implied agreement on the part of the railway authorities that such a grade will be completed, and that the people will have facilities available to them for handling of the traffic they create. The consolidation of the systems of railway in the west has had the effect of leaving settlers located south of the Red Deer river without transportation, notwithstanding that in many instances, when they settled there, these people spent their all in the belief that a grade which they saw being built would be completed into a railway. I fear that at the moment the cost will be quite considerable, and for that reason the line to which I refer would not become a profitable enterprise. But this is one of those cases in which there should be made the compensating adjustment to which I so often refer, and I trust that the management will be pressed by the minister to reconsider the question and determine whether or not second-hand steel from the main line or from some good branch lines could not be found to complete that railway down at least to Redcliff, and possibly running rights into Medicine Hat could be acquired.

This is not a line on which you can expect heavy steel structures. One of the railways on which I was compelled to travel during the last month had not by any means all steel structures. Under these circumstances it seems to me that a bridge might be constructed across the Red Deer—even though it might not be the last word in railway construction—with secondhand steel laid on that grade that extends south from Steveville to Redcliff, so that the railway which the settlers along the line expected to be built might be carried to completion.

During last summer I had an opportunity to observe with my own eyes the conditions to which the hon. member for Richmond-West Cape Breton has referred, and I really was

amazed that in a country as old in settlement as Cape Breton the situation should be as I found it. Facing the Atlantic there is the great harbour of Louisburg, which, as most of us can recall, was once known as the Gibraltar of North America, not merely by reason of the strength of its fortifications but also because of the singular depth of water in a harbour so close to the great trade routes of the Atlantic. That harbour has been used by large ships for many years; it opens directly on the Atlantic; and apart from all natural advantages appertaining to its situation it has great historic associations to which reference has been made by the hon. gentleman. There is a considerable mileage to be constructed—84 miles. I wanted that fact brought to the attention of the minister and that is why I interrupted my hon. friend while he was speaking to ask him a question. As one sees the glens, the hardwood trees in the fall and summer, with the evergreens, the fog settling down upon them, as it did the evening I have in mind, one can easily imagine oneself in Scotland, except that there are no sheep on the hills. And with what the hon. member has said regarding the opportunities for a wonderful growth of a great industry there I entirely agree. I have seen no part of Canada except some parts of British Columbia where, in my opinion, the sheep industry could be developed so successfully as in that portion of Cape Breton. There sit opposite me gentlemen who have gone to western Canada from that little island and made a distinguished place for themselves. Indeed, Cape Breton is settled with a type of men and women you will perhaps not find anywhere else in the world. They are undoubtedly wonderful people. I have talked with them—they had no automobiles, these Highlanders who were compelled to travel long distances—and I gathered from them that their fathers before themselves had hoped to secure a railway but had been denied it. They are looking for some form of transportation, for they desire to live in that country. Not only do they not wish to leave it themselves, but they are anxious to keep their children there. I came away impressed with that fact, and although I have had no communication with my hon. friend and did not know he was going to speak, I made up my mind that if ever I had an opportunity in parliament I would say this railway extension should be considered by the management of the people's railway of this country. I say it is beyond politics; it transcends politics. Remember the stock from which these people came and the type of men and women they were and are; look at them and remember their desire to keep their sons and daughters in this country, and realize how impossible it is to do so in that country where they have to face the competition of other communities when denied some form of transportation. If we can find large sums of money for the development of the new wealth of our own western lands surely we are warranted in finding for these old settlements such sums of money as will enable them to have transportation facilities. If we who live in the west did not have those facilities we would never cease agitating until we got them; because we are a new and growing country we would get them, but we are not doing as much for these older sections. I think it is worthy of the consideration and attention of the management of the Canadian National railways and I should like to impress upon the minister the necessity of bringing this matter to the attention of the officials of the system. They have suffered down there from a lack of these facilities; we can remedy that difficulty. I talked with these men and women; they were not people of my particular shade of politics but they were great Canadians, of great stock, whose descendants have gone to every part of this American continent and brought credit and distinction to the country of their birth.

That is the reason I venture to make these observations. I feel strongly about it; my sentiment was moved as it rarely is when I talked with those people and saw the transportation conditions under which they live. If anything can be done to extend lines of transportation to those old, settled places, let us do it. I remember as a boy this old Kent Northern railway; I remember the old names associated with it, and when you speak about getting several miles of railway for $60,000—

Mr. DUNNING: That is for the whole railway.

Mr. BENNETT: Yes, for the whole railway, and my memory is that it is nine miles long.

Mr. BOURGEOIS: It is thirty miles long.

Mr. BENNETT: Then we are getting thirty miles of railway for $60,000, and I believe there is an engine or two thrown in, with an odd box car or two. No, I believe it was a borrowed locomotive, but in my day I know there was a box car carrying the name "Kent Northern". We are going to spend $220,000 in building a single mile of line near Brantford to shorten the distance by six or

eight miles in the hauling of freight. That is an economically sound proposition, as the management will show, because by the saving in time by fast freights you can save the sum of money involved, but surely we can afford to do something for the people of whom I speak.

I mention these matters because they appeal strongly to me, I have trespassed entirely too long upon the time of the committee, much more so than I had any intention of doing when I rose to my feet.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READING

Bill No. 35, to incorporate the Ukrainian Greek Orthodox Church of Canada—Mr. Luchkovich.

WAWANESA MUTUAL INSURANCE COMPANY

Mr. J. T. THORSON (Winnipeg South Centre) moved the second reading of Bill No. 31, to incorporate the Wawanesa Mutual Insurance Company.

Mr. SPENCER: Explain.

Mr. THORSON: This is an act to incorporate a number of persons as a mutual insurance company. The object of the bill and the insurance authorized are set out in the bill. I believe this has been approved by the Superintendent of Insurance.

Mr. SPENCER: Is this the same company as is now operating under a provincial charter?

Mr. THORSON: I really do not know.

Mr. FORKE: I am acquainted with the personnel of the provincial company, and these are the same parties.

Mr. GARDINER: What is intended by this?

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

PRECIOUS METALS MARKING ACT AMENDMENT

Mr. J. E. LETELLIER (Compton) moved the second reading of Bill No. 24, to amend the Precious Metals Marking Act, 1928.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

DIVORCE COURT FOR ONTARIO

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved the second reading of Bill No. 38, to provide in the province of Ontario for the dissolution and annulment of marriage.

Mr. BOURASSA: Explain.

Mr. WOODSWORTH: I do not think it is necessary to make a very lengthy statement regarding this bill. It is a foundling left on my doorstep, but since I urged last year that it be given a chance to live, I could not refuse to adopt it this year. Little did I think the time would come when I would sponsor a bill for the relief of the senate, but I am very glad to urge the passage of this measure.

The bill provides that a portion of the law of England as of July 15, 1870 be made the law of Ontario. As we all know, divorce courts exist in every province in Canada except Ontario and Quebec.

An hon. MEMBER: And Prince Edward Island.

Mr. WOODSWORTH: I think they have a divorce court in Prince Edward Island. The vast majority of cases that come before this parliament are from the province of Ontario, and the volume of divorce cases has become so large that it has simply swamped the agency which has handled it throughout the years. As I pointed out on several occasions last year, the way in which divorces are passed through this house is little short of being scandalous. As every member of the house knows, it is necessary that in each case a private bill should be introduced and passed as any other private bill through both houses of parliament. Usually those bills originate in the senate. It is stated by those who have been present that the procedure in the senate is fairly satisfactory. As to that I cannot say, but I cannot see how the investigation can be very thorough when so many bills are passed in such a short time. I do, however, know that when these bills come over to us, our committee work is purely perfunctory and, as we all know, the bills are simply rushed through this chamber en bloc. I understand that so great is the number of divorces this year before the senate that they have set up two committees; in fact, there was a proposal that there should be three committees; but there was some difficulty in getting a third room, otherwise we should have had a sort of three-ringed circus going on in the senate. Not only have we all the divorces that have to be accounted for in this house, but it was stated in the senate discussion a

short time ago, in 1928 there were 548 Canadian divorces secured in the city of Detroit. That is undoubtedly a very serious situation.

As regards the procedure of the house, if we are to deal properly with the divorce question we should not be able to do any other business whatever. Further, many of the details in the divorce cases are so objectionable that were we to attempt to discuss them on the floor of the house we should have to clear the galleries and could hardly put the evidence into printed form suitable for the mails.

Further than that, if we are to have divorce or separation, it should go much further than simply separating the two people and giving them the right to marry again. Some provision ought to be made for the custody and maintenance of the children. Something ought to be done to provide alimony for the wife. It is doubtful whether the Dominion parliament has the right to deal with such matters which may be said to involve civil rights. It is an open question; I am not a lawyer, and I am not prepared to say whether the Dominion parliament has powers or not, but I know doubt has been expressed on that point.

Mr. ADSHEAD: It has never been done by the senate.

Mr. WOODSWORTH: It has never been done by the senate except in one case. If my memory serves me aright, it was the Campbell case in the very early days when action was taken along that line. I remember discussing that matter last year. It is doubtful whether we have the power to do that, but without some such action it is manifestly unfair to turn adrift without provision a woman and her family. She may enter action in the courts of Ontario, but the general opinion is that the court that deals with divorce or separation should also deal with the financial arrangements affecting the parties concerned. In an ordinary court there is provision for getting from outside evidence that we do not have when the matter is dealt with by a parliamentary committee. Further, as I understand the matter, in the case of divorce proceedings in the court, a little time elapses before the divorce becomes final, so that opportunity is given for a short time for reconsideration. No provision of that kind prevails in the case of parliamentary divorces.

There is no doubt that the feeling in nearly every section of parliament is that something must be done. I am well aware that a certain number of the members of parliament, on religious grounds, are opposed to all divorce, but I would point out that in the proposed legislation there is nothing that widens the grounds for divorce. The grounds remain the same under the English law, as under the regulations prevailing in the senate. Further than that, as the hon. member for Labelle (Mr. Bourassa) so clearly pointed out last year, the matter is one not of principle but of method. If the hon. member for Labelle will pardon me, even though he is present I should like to read the statement he made last year when he expounded the matter so clearly. The occasion I may say was not the discussion on the bill which is now before the house and which was not reached last year, but a private divorce bill on which the whole question came up. He said:

> The bill adopted in the other chamber—
>
> Referring to the bill now before us.
>
> —and presented in this house by the member for Stormont (Mr. Smith), which has been referred to this evening, does not mean the adoption by this parliament of the principle of divorce. Unfortunately that principle was adopted at confederation, and I think it is one of the great mistakes that was then made. So it is not a question of adopting or putting aside the principle of divorce. The question is, in what manner shall the power to grant divorce be exercised with the least evil to society and with the preservation of the family spirit and the maintenance of the social fabric. I do not think the manner in which divorces are granted by this parliament makes for a lesser number of divorces, or for the granting of them with the greatest impartiality, or with the greatest care for the welfare of families and society generally, and I believe everybody is convinced that it is largely haphazard whether a divorce is granted or refused by parliament under the present procedure. For my part, I must say that during the two years since I came back to this house it has been a question in my mind whether we are doing the right thing when we let these divorce bills pass.
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> A little further on he said:
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> If the measure I have referred to is submitted by the member for Stormont, I think it will have to be considered very seriously, and not be discarded simply because we are opposed to the principle of divorce, because, as I have said, in my view the principle has already been wrongly introduced.

Without going into the rightness or wrongness of divorce in itself, we have the principle established in Canada and for many years we have had a number of divorces—ever an increasing number. We are not by the bill before us proposing, as I have said, to extend the grounds for divorce, nor are we doing anything that is likely to increase the number of divorces. We are simply setting up a court where these questions can surely be dealt with in a more judicial manner than they can be in parliament. Hence all that is involved is a transfer of the divorce court from the senate chamber to a properly constituted court, better

fitted and perhaps specially designed to deal with such cases. If we adopt the bill, I am confident that it would mean the removal of what is fast becoming a great scandal in Canada.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, this is a very important piece of legislation. I do not think it ought to pass without being fully considered by the house from the double point of view of principle and of practice. I need not tell you, sir, that I am unalterably opposed to the principle and practice of divorce, not on religious grounds only or mainly, if my hon. friend will allow me, but because, from the little study I have given to history during the last forty years, I have become convinced that divorce is the cankerworm of all decaying societies, and once that evil is introduced into a nation, it is the beginning of the end. It may take years; it may take centuries. It has been the history of Greece of old; it has been the history of the Roman empire. Take the studies, not of Catholic historians, but of every Protestant, or unbelieving and sceptical student of history; and they will tell you that the beginning of the decay of the Roman Empire was not when the barbarians began shattering the foundations of that tremendous structure, but when the Roman family began to lose that marvellous family spirit and traditions upon which the republic was built, and which were corrupted and destroyed by the Caesarean regime.

But, as my hon. friend says, unfortunately, from my point of view, at least, the principle of divorce was introduced into our constitution in 1867. It was introduced, I do not know why. I have read all the debates of confederation from beginning to end; I have read most of the correspondence, public and private, exchanged between the religious and civil authorities, or between the founders of confederation in Canada and the statesmen of Great Britain who put the final stamp upon the national covenant out of which confederation was born; and to my great astonishment I found very little related to this most important social question. They just let it pass at that.

But what is most curious, most inexplicable, is that while the basic principle of confederation was that all powers of legislation relating to religious, social and educational matters, and with regard to civil life, were to be reserved to the provinces, the marriage laws were, so to speak, divided into two parts, marriage and divorce being put under the jurisdiction of the federal parliament, and the celebration of marriage being handed over to the provincial authorities. It was altogether illogical, I think; but anyhow it was done. To be logical, to come back to the basic spirit of confederation and to remedy the evil which has been pointed out by my hon. friend from Winnipeg North Centre (Mr. Woodsworth), I think we ought to wipe out entirely that paragraph of clause 91 of the British North America Act, dealing with "marriage and divorce," and hand over to the provinces full and unabridged authority to deal with everything connected with marriage. Then the provinces would be free to adopt such laws as they saw fit relating to marriage and its dissolution, and also to create tribunals to deal with these matters.

Mr. WOODSWORTH: Is not this bill in a measure doing that?

Mr. BOURASSA: If my hon. friend will allow me, I think I shall cover the ground.

This was done in Nova Scotia and New Brunswick before they came into confederation. It was also done in British Columbia. With regard to the three prairie provinces, without going into details, although I have them here, it was done indirectly by the adoption of a federal law extending generally to Manitoba and the Northwest territories, which afterwards became Alberta and Saskatchewan, the laws of England as they stood in 1870, without any special reference to marriage and divorce. The question was brought before the privy council, and it was decided in two cases which were adjudicated upon the same day, or very close together, one with reference to Manitoba, and the other with reference to Alberta or Saskatchewan—

Mr. BENNETT: Alberta.

Mr. BOURASSA: Alberta, and it was decided by the privy council that the effect of that law was to have put into operation in the three prairie provinces, as had already been done under provincial authority before confederation in the provinces of New Brunswick, Nova Scotia and British Columbia, the laws relating to the dissolution of marriage as they existed in England in 1870. And so to-day in six of the nine provinces there are courts of divorce established by law, either directly by the provinces themselves, or indirectly as a consequence of legislation passed by this parliament. I hope I am putting the case as clearly as a layman can be expected to do it.

Mr. BENNETT: Exceedingly so.

Mr. BOURASSA: Thank you. This being the position, as I stated last year, I repeat now, that I for one fail to see, either as a

Catholic or as one unalterably attached to social principles as they stood for eighteen hundred years under the sway of the Christian doctrine and Christian morals, or from a purely social point of view disconnected from any religious creed or code of morals—I fail to see that the extension of the jurisdiction which is already in operation in six of our provinces to another one changes in any way, shape or form the constitution of Canada and the application of the principles contained therein. Therefore, Mr. Speaker, I am not opposed to this bill on principle; or rather, I am opposed to the principle of the constitution from which this bill, if it passes, will be derived, just as the divorce courts in two of the maritime provinces and in the four western provinces have been established.

On the other hand, believing, as I do, that if we want to remain true to the spirit of confederation we must not interfere at all, or interfere only to the slightest degree possible, in all those matters that relate to social life, civil rights, and religious and educational matters, believing at the same time, as I do, that the provincial authorities should take the moral responsibility of asking from this parliament such legislation as they may be deprived by the letter of the constitution from passing themselves,—

Mr. ARTHURS: Would my hon. friend tell me when and where the province of Ontario has asked for this legislation?

Mr. BOURASSA: That is what I am going to explain.

I have endeavoured to make myself clear on one point first, as to the principle at stake. I am opposed to the principle of divorce as contained in the constitution. I am prepared to vote to-day, to-morrow or at any other time, to amend the constitution in this regard. I go further; I invite the government, here and now, and this parliament, to study the question and take the earliest opportunity of having the constitution so amended that marriage and divorce may be handed over to the provinces with complete and unhampered powers of legislation with respect thereto, leaving them free to establish or suppress courts of divorce, in order to meet what they may consider the moral or immoral needs of their respective populations.

My second point is this, that until we have tackled the root principle of the question, it is ridiculous to say that by voting for this bill we would approve the principle of divorce. Why, every session we vote divorce bills by the bushel. The fact that either you, Mr. Speaker, or the clerk of the house writes "carried on division" upon every one of those bills, does not, I feel, relieve me or any other member of this house of the responsibility of having voted all those bills without even knowing what is contained in them, or the evidence upon which they are based.

Last session, when I thought a similar bill would come before the house, I obtained particulars of the number of divorces voted by this parliament since confederation was established. Here is a summary of the figures. In the fifty years from 1867 to 1916, inclusive, parliament voted 310 divorces; in the five years from 1917 to 1921, inclusive, 294 divorces—just sixteen less than in the preceding fifty years; in the following five years, from 1922 to 1926, inclusive, 608 divorces. In the one session of 1926-27, 196 divorces were granted, and in the last session 238. So that in the two last sessions we, the members of this house, opposed to divorce on principle, religious principle, social principle, or any principle or no principle at all, we have decreed that 434 couples, married before God and according to the laws of this country—unions which, according to our tenet, could not be dissolved but by death—should be divorced; and we think our conscience is clear because the clerk of the house wrote on a piece of paper, "carried on division!"

I cannot agree with that view, Mr. Speaker. Therefore I ask this house in logic, in conscience, in courage, to do one of two things,—either withdraw divorce from the powers of this parliament by way of an address to the Imperial parliament for an amendment to the constitution to hand over those powers to the provinces, or else take such means as will ensure that divorces shall no longer be granted as they are at present.

Before last session I never read the obscene literature distributed to this house and the other, and scattered over the country to fall into the hands of boys and girls. It is sent sometimes under the frank of members of parliament, and apparently takes the place of the obscene literature coming from the United States which we have asked the Minister of National Revenue (Mr. Euler) to exclude from this country. But last year I thought I would overcome my disgust. I read some of the evidence and I found that in most of the cases the only witness was a private detective hired by one of the parties, sometimes after an understanding between both parties, as is clearly shown under the veil; and the senate in such cases granted the petition for divorce on the testimony of that one man. In other cases—well, I do not say

that this really happened, but one day, on the train between Montreal and Ottawa, I noticed a lawyer from Montreal, a witty Scotch-Canadian of excellent professional standing. I asked him what he was going to Ottawa for. "Oh," he said, "I have a divorce case before the senate, a very interesting case. The evidence is not quite clear, but my client is a charming woman, and I have told her to put on her best dress and look as interesting as she possibly can, and that I think it will then be an easy matter to secure the verdict of the senate committee." Of course, I do not put too much stock in such stories, but the fact that divorces should be granted by a committee of parliament which meets during the session—

Mr. ARTHURS: Mr. Speaker, the hon. gentleman clearly has charged the senate with being unduly influenced in its disposition of divorce cases by arguments or appearances not of a legal nature.

Mr. BOURASSA: Mr. Speaker, I have made no charge whatever against hon. senators. I have simply repeated the joke, if you like, of a lawyer. I was proceeding to explain that divorces granted by a committee of parliament, which is not a tribunal invested with the authority of a court of law, although composed of men just as respectable perhaps as judges, produce what always is the inevitable result when you hand over to a set of men authority which should belong to another set.

Mr. SPEAKER: I must ask the hon. gentleman to make no reference to the senate, it being against the rules of the house. The senate under our constitution is invested with the duty of hearing and investigating divorce cases.

Mr. BOURASSA: Mr. Speaker, I thank you for your kind advice, and I will take good care not to come back to that point.

Now, sir, having given my views, and having laid down the principles that I think should govern us in dealing with this subject, and having suggested that the government should take the earliest opportunity of ascertaining the sense of the house upon the possibility and the desirability of having the constitution amended so as to put all matrimonial laws on a sound and proper basis, I proceed to my next point.

I would not vote for the second reading of this bill if I did not hope that it would be properly amended in committee, in order to lay the moral responsibility for this piece of legislation upon those who are supposed to be asking for it. An hon. member on the other side asked me a moment ago a very pertinent question: whether Ontario had officially requested this legislation? I do not know, but I should like to have the bill—

Mr. ARTHURS: My hon. friend in his remarks led me to believe that he had so intimated.

Mr. BOURASSA: No, on the contrary. I wish to have the bill amended in such a manner that the people of Ontario, represented officially by their legislature, the body who should deal with this matter, might have the opportunity of expressing its will. And that legislature would have that opportunity now if the very intelligent and farseeing suggestion of the Hon. Felix Geoffrion, proffered at the time of confederation, had been adopted—in other words, if the matter had been left exclusively to provincial jurisdiction.

A friend of mine, a member of this house—I do not want to mention his name now because he is not here—prepared last year some amendments in connection with this legislation. As I say, he is not here to-night and I do not want to commit him, because I do not know whether he is prepared to move these amendments this year. All I can say is that he is an English-speaking Protestant member of this house, and a representative of Ontario. The first of his amendments is rather unimportant; it simply proposes an alteration in the wording of the first clause, striking out, in the two last lines of paragraph 1, the words "shall be the law of the province as to dissolution of marriage and as to annulment of marriage", and substituting the words "shall be in force in the province of Ontario". That is a slight amendment. The principal change consists in a new clause to be inserted as follows:

> This act shall come into force on a day to be fixed by proclamation of the governor in council, provided such proclamation shall be issued only upon the receipt by the Secretary of State for Canada of a duly certified copy of a resolution passed by the legislative assembly of the province of Ontario, requesting the issue of such proclamation.

This, it seems to me, would clearly divide the responsibility between the two authorities The legislature of Ontario being precluded constitutionally from establishing, under provincial statute, a court for the dissolution of marriage, or from giving to one of the existing courts the necessary jurisdiction, this parliament would confer the jurisdiction; this parliament would vest in the Supreme Court of Ontario the power to annul or to dissolve marriages. But the law passed by this par-

liament conferring that power would not come into force until the interested party, the province of Ontario, should take action in the matter. The people who come to this parliament to obtain divorces; the people who create such a vast amount of work for the senate of Canada; the people who have forced the senate of Canada to ask for this legislation: those people would apply to the elected legislative body which represents them, which has to deal with their local affairs, with their education and other matters of civil law; and that body would express its views and its desire in clear form. Then the federal authority would put the law into force after the people of Ontario had asked for it. I hope this will satisfy my hon. friend on the other side.

I do not know the views of Ontario touching this matter. What does any one of us know about the views of that province? What right have we to create a court of divorce in Ontario without knowing what the people of that province desire? Are they in favour of it or are they opposed? Are you going to create a committee of this house, composed only of representatives of Ontario, and take a vote among them before the house as a whole deals with the question? Where are the staunch upholders of provincial rights in this matter? This is the time for them to speak; because, I repeat, if we appeal to the spirit that quickeneth rather than to the letter that killeth, we shall find, in the light of history as well as of reason and logic, that we shall be making a grave mistake if we vote for this bill as it stands, without making it clear that we are not imposing it upon the people of Ontario, in the absence of any opportunity on their part, and on the part of their own representatives in their own legislative governing body, of signifying their will. If we impose the bill upon them under such conditions we shall, first, encroach upon the moral rights of the people of Ontario, and, secondly, drive another nail into the coffin of our constitution, because we are again discharging one of those abnormal functions of intervention which have worked to the evil of the country and to the evil of the province affected every time this has been done.

Without infringing on the rules of debate, may I draw a comparison with reference to school rights? Everyone knows what trouble, what quarrels, what bickerings, what misunderstandings arose as between race and race, as between creed and creed, as between province and province, because of the nonsensical clause 93 of the British North America Act, which had been framed in one way in Quebec, then changed in the parliament of United Canada, and further changed in London. Most people are under the fallacious impression that the power of intervention on the part of the federal parliament in school matters was asked for by the Roman Catholics and the people of Quebec. The very opposite is the case. All our people wanted to keep under the exclusive jurisdiction of the provinces education as well as marriage, and everything else which pertains to social life and civil law. Clause 93 was imposed upon the parliament of United Canada, with concurring legislation from the Imperial parliament, by the Protestant minority of Quebec who dreaded encroachments on their privileges on the part of the French and Catholic majority. That dread has entirely disappeared, because, in the years that have elapsed since confederation, the minority of Quebec have not only preserved all they had prior to confederation but have received an overflowing measure of generosity in the way of legislation, money grants and otherwise. Therefore, if we had our constitution amended in such a manner that it would be brought back to its basic foundation in regard to this matter, that would be the solution; short of that I for one am prepared to vote for this bill, but I want the people of Ontario to take their share of the responsibility. I do not want to be told next year or five years hence that I, a French Canadian Catholic from Quebec, have been a party to imposing this legislation upon the people of Ontario, whether Catholic or Protestant—and I know there are some excellent Protestants just as much opposed to divorce as we are—by a blind vote, without knowing their wish or their will as expressed by the men whom they elect to deal with those things which pertain to their civil life. I do not wish it said that I have voted for this bill simply because the worthy members of the senate quite rightly are tired of granting divorces, because we have not yet concerned ourselves with our moral and legislative responsibility in this regard, and because we have voted divorces by the bushel without knowing the circumstances of the cases and without knowing what will become of the children, as my hon. friend from Winnipeg North Centre (Mr. Woodsworht) has said.

In all these matters I think mainly of the children; I am more concerned with their fate than with either the husband or the wife, because after all the parents are responsible for what they do, and even if an unjust verdict is rendered against one of the parties, that happens under any jurisdiction; but the innocent little boys and girls see the family disrupted and do not know where to give

their hearts or to which of the authors of their life they can give their devotion. Oh, I think of them, and apart from all religious principles I am opposed to divorce mainly on account of the children.

But, as the hon. member for Winnipeg North Centre has said, if there is to be divorce, let some thought be given to the innocent victim of bad marriages, the child; let not these cases be decided simply because a police agent follows a man or a woman as the Pharisees followed the adulterous woman in Jerusalem. Perhaps we are more apt to pass judgment upon the fallen than Jesus Christ was; perhaps on the other hand the reason we never examine these judgments is because we are very Christ-like; but I am afraid that we have fallen into the habit of letting these divorce cases go through without being looked into by this house simply as a matter of custom. We have let matters drift, because for many years, as I have shown, there were very few divorces. They were considered to be individual cases; they were supposed to be dealt with as the claims or grievances of only a few citizens. But these are no longer individual or isolated cases. They constitute one of the acutest social problems with which we have to deal; a problem which has engaged the thought and study of not only the clergy of all denominations but of all thoughtful statesmen and social thinkers in all countries which are supposed to preserve some remnants of Christian civilization. This is the one question which has most greatly moved the deliberative bodies in all countries in Europe, and everyone admits it is the one evil threatening the very heart of the great nation to our south.

Now, are we going to solve this problem as a Christian, intelligent nation, or are we going to let it drift according to political exigencies, or simply to copy what the Yankees are doing, as is so often the case? For my part I am not prepared to take my model from the United States or from any other country. I would like this parliament to deal with this question from a Christian, a national and a rational point of view; and I hope I am not hurting the feelings of anyone, nor am I preventing the adoption of a remedy, when I ask this house to ponder a little before this bill is voted as we have voted divorce bills in the past. Do not let us carry it "on division" simply because we do not care to make a study of the question, because we of Quebec have no divorcees in our constituencies or because the good people of the maritime provinces or the western provinces are no more concerned with it. Let us look into the root of this question; let us consider the principle; let us think of the consequences of this legislation; and if we adopt it let us do so in such a manner that the moral responsibility attached to it will be divided between the bodies representing the province immediately interested, just as in the constitution—absurdly, I admit,—marriage and education are divided in a very clumsy manner which is explained only by such historical circumstances as I have recalled to the memory of the house. Let us see that these responsibilities are divided just as education and marriage are divided as between federal and provincial jurisdiction. In dealing with this one aspect of the marital situation let us do so, for once, according to the spirit and the letter of the constitution. If we want to do so let us pass a bill to provide for the establishment of this jurisdiction, but let us hand over to the provincial authorities the right and the power to say when and how this will come into operation.

Mr. SPEAKER: The hon. gentleman having exhausted his time, I am afraid he cannot do so.

Mr. ARTHURS: Mr. Speaker—

PRIVILEGE—MR. DONNELLY

Mr. THOMAS DONNELLY (Willow Bunch): Mr. Speaker, with your permission I rise to a question of privilege.

Mr. ARTHURS: Mr. Speaker, on a point of order—

Mr. SPEAKER: A question of privilege always takes precedence.

Mr. DONNELLY: In the Toronto Mail and Empire of February 22, appears an article headed as follows:

Farmer Members Charge Faith Broken by Malcolm.

Mr. BENNETT: Before the question of privilege is proceeded with, if a member of the house is on his feet there can be no interruption of his remarks on a question of privilege which does not touch the subject matter of his observations. This is a different matter altogether.

Mr. DUNNING: Mr. Speaker did not declare it nine o'clock, which would automatically close the debate.

Mr. SPEAKER: It being nine o'clock the house will revert to the railway bills which were under consideration when the house rose at six o'clock; but a question of privilege is always in order before the Speaker leaves the chair.

Mr. DONNELLY: This article goes on to say that a secret conference was held. I will read a portion of the article, which seems to be from the pen of T. H. Blacklock:

Did Hon. James Malcolm, Minister of Trade and Commerce, break faith with the western farmer members not officially supporters of the government? They assert that he did and that the conference with the grain commission was restricted solely to western Liberals after Mr. Malcolm had promised the western farmer members would have an opportunity to discuss the grain trade with the grain commission.

A few days ago western farmer members waited on Mr. Malcolm to discuss the abuses of the Grain Act during the marketing season for last year's crop. It is claimed by them he placed the greater responsibility for the abuses on the wheat pools, which was suggestive that the western farmer members better not raise the question or the wheat pool would suffer. Finally, it was agreed they were to meet the grain commission.

Yesterday, certain members of the government and the official prairie Liberal members met the grain commission, but the farmer members of Alberta and Saskatchewan were not invited. One of the reasons advanced for this exclusion is that members of the government and western Liberals made statements about the wheat pool which would have been resented by western farmers. As it was there were not defenders of the pools present, and as the grain commission is more friendly to the grain exchange than to the wheat pools it was safe to denounce these western farmers' marketing associations. The whole object of the private conference was to whitewash the government and the grain commission and place the responsibility on the wheat pool. With Alberta and Saskatchewan farmer members excluded it was quite easy to formulate plans for this purpose.

The secret conference agreed to have the whole question referred to a special committee where the wheat pools are to be damaged as much as possible. This agreement was reached between members of the cabinet, the grain commission and the Liberal members from the prairie provinces.

Never before was there such danger to these great marketing associations. Both farmers and business men in the west support the wheat pools and if they blundered or were victims of more capable men in the grain trade and grain commission, it is felt the attempt to smash the wheat pools cannot possibly be justified.

I just want to state with regard to—

Mr. BENNETT: There is no point of privilege raised yet.

Mr. DONNELLY: I want to state the point of privilege now. First of all, I know nothing regarding the meeting that took place.

[Mr. Dunning.]

Mr. BENNETT: Mr. Speaker, the hon. member's name is not mentioned, nor is the name of this parliament.

Mr. DONNELLY: Let me speak.

Mr. SPEAKER: So far I have not seen a question of privilege.

Mr. DONNELLY: Just as soon as I am through I will give the hon. leader of the opposition a chance to talk.

Mr. SPEAKER: A matter of privilege may affect an hon. member or it may affect the house collectively. So far I have not detected a question of privilege, but the hon. gentleman states that after having read the article he will explain how it affects him or how it affects this house.

Mr. DONNELLY: It says here that there was a meeting held between some western farmer members and Mr. Malcolm. I know nothing whatever about that meeting. Then it goes on to say there was a meeting between the grain commission and western Liberals, and I am a western Liberal.

Mr. SPEAKER: Will the hon. member please explain the question of privilege?

Mr. DONNELLY: I am coming to that point right now.

Mr. SPEAKER: The question whether there was or was not a meeting is not one of privilege.

Mr. DONNELLY: But I claim I was at the second meeting which was said to take place between the grain commisison and the western Liberals, and I do not propose to listen to articles such as this which suggest that we were at the meeting to damage the pool. We were upholding the pool, and we were there for that purpose.

Some hon. MEMBERS: Order, order.

Mr. DONNELLY: And nothing occurred at that meeting which would damage the pool in any way, shape or form.

Some hon. MEMBERS: Order.

Mr. SPEAKER: So far I can see only a matter of personal explanation; there is no question of privilege.

Mr. MALCOLM: I rise to a question of privilege, as my name was mentioned in the article. The article makes statements which were undeniably untrue. The first part of the article as to the conference with the Liberal members is quite true, but the second part is absolutely untrue. This portion of the article states that the western members who asked me for a conference to present some

views with regard to the Board of Grain Commissioners did so with the idea of damaging the wheat pool; that is not the case. These men were defending the wheat pool and attacking the Board of Grain Commissioners for not having properly administered the act.

Mr. BENNETT: I would point out once more that the rules of parliament were made for some purpose. The hon. gentleman is now engaged in a long discussion as to what did or did not take place. On a question of privilege he may deny any statement that affects himself or that affects the dignity of this house, but he is now arguing it, which is an entirely different matter.

Mr. MALCOLM: I am stating facts.

Mr. SPEAKER: A question of privilege must concern the character or conduct of a member, or the collective honour of the house. So far I have not seen a question of privilege.

Mr. DUNNING: Is there no question of privilege when a newspaper correspondent lies about the actions of members of this house?

Mr. BENNETT: This is not the Saskatchewan legislature, and I think that remark might be withdrawn.

Mr. DUNNING: That is the situation.

Some hon. MEMBERS: Withdraw, withdraw.

Mr. SPEAKER: I quote from page 303 of Bourinot:

> It is the practice in the House of Commons to bring up a question of privilege after prayers, and before the house has taken up the orders of the day. Only in very aggravated cases, requiring the immediate interposition of the house, will any business be suddenly interrupted. If a member be insulted or attacked, or some disorder suddenly arises, a debate may be interrupted; for as it has been clearly expressed by an ancient authority, "whether any question is or is not before the house; and even in the midst of another discussion, if a member should rise to complain of a breach of privileges of the house, they have always instantly heard him."

I am now listening to the hon. Minister of Trade and Commerce (Mr. Malcolm), but so far I find no reflection or no libel in the statements which have been read to the house.

Mr. BENNETT: I now rise to a point of order touching upon the dignity of this house. The hon. Minister of Railways (Mr. Dunning) has used the word "lies."

An hon. MEMBER: That is all right.

Mr. BENNETT: Is that the hon. gentleman's idea of the dignity of parliament? Of course I am entirely in Your Honour's hands, but I do feel, on a question of order, that anything like that is entirely unworthy of the Canadian House of Commons and its traditions.

Mr. DUNNING: On the point of order, Mr. Speaker, I addressed to Your Honour, a question as to whether or not it was a matter of privilege for a member of this house to call attention to the fact that a newspaper correspondent had lied with respect to him and other members associated with him. If the word "lies" is too straightforward, I will say "writes untruths."

Mr. SPEAKER: The word "untruths" will not do, I am afraid. I have it in Bourinot and Beauchesne that such drastic expressions may not be used with reference to an hon. member, and the house generally frowns on the use of such expressions with reference to a gentleman who is not a member of the house.

Mr. DUNNING: Mr. Speaker, with all deference to Your Honour, I ask for an answer to my query: Are members of this house to be subject to articles of the kind read by the hon. member for Willow Bunch (Mr. Donnelly), composed of—I can only use the word "untruths," and have no right to call the attention of the public and the attention of this house to the fact that the statements made have no foundation in fact? Has the house no rights with respect to a matter of that character? I am merely asking your advice, sir, in this matter, because it is a serious one for the members affected.

Mr. SPEAKER: This is what I read in Bourinot at page 352:

> It has frequently been formally ruled by speakers in the Canadian Commons that a statement by an honourable member respecting himself and peculiarly within his own knowledge must be accepted but it is not unparliamentary to temperately criticize statements made by a member as being contrary to the facts; but no imputation of intentional falsehood is permissible.

I have not the other authorities under my hand, but I know that even against strangers the amenities of the house do not permit the use of such expressions. I am saying this on behalf of both sides of the house. It is just as well to protect ourselves against ourselves for the future.

Mr. MALCOLM: The question of privilege I wish to raise is that the statement contained in the article relative to myself and members from Saskatchewan were not statements of fact. A statement of fact would be exactly

the reverse of what was in the Mail and Empire article. I do not know whether the correspondent was given that information in good faith or whether he made it up, but I wish to deny absolutely the statements in the article.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINES

The house resumed consideration in committee of the resolution with respect to the construction of Canadian National railway branch lines—Mr. Dunning—Mr. Johnston in the chair.

Mr. DUNNING: When the house rose at six o'clock I was about to attempt to reply to some of the questions addressed to me during the discussion of the resolution by various members of the committee. First, let me say that I omitted to mention one railway with respect to which negotiations for purchase have been going on for some time past, with what success in the recent past I am not in a position to say, but it is a fact that negotiations have been proceeding with respect to the possible purchase by the Canadian National of what is known as the Inverness Railway.

With regard to requests which have been made by various members of the committee that the Canadian National program of branch line construction should have included some lines which are not in the program, I can only say that the management can hardly be expected to deal in one program with all branch line problems and requirements of the country. It will be remembered, as I stated before recess, that it is only two years since the house adopted a very substantial branch line program for the Canadian National, and it is now almost completed. This year will see the conclusion of construction work with respect to that program. Two years later the management come again and ask for authority to construct within the next three years a further 701 miles. I submit to the committee this principle as being sound in our relationship to the Canadian National along the line of construction program initiation. We must rely upon the management to be the judge as to when they shall propose the construction of further branch mileage in any part of Canada; they must have regard to the economic necessities of the property with the administration of which they are charged. The management have proved themselves over a period of years to be very capable of looking after the interests of the property, and therefore in the first place the government and the House of Commons must rely upon the judgment of the management with respect to those branch lines with are most necessary and which, in their opinion, should be included in a further program. More than that, we must have regard to what they indicate as the maximum expenditure which it would be wise to make, having regard to the other budget requirements of the railroad in any particular period.

The particular problem mentioned by the hon. member for Medicine Hat is one of the difficult problems left to the Canadian National as the result of the wrecks of private ownership which the Canadian National management were called upon to co-ordinate into a useful whole, a truly national system. The old Canadian Northern railway, a number of years before it became a part of the Canadian National, had projected the railway to which the hon. member for Medicine Hat referred, had, in fact, graded practically the whole of it. It still requires a very expensive bridge across a large river and it would also require the laying of steel upon the grade. I would direct the attention of the leader of the opposition specifically to this point, that it would also need terminal facilities at the city of Medicine Hat in order that it might be successfully operated. The management of the Canadian National have not seen their way clear as yet, having regard to all the other demands upon the system from coast to coast, to recommend further work upon this line. I shall be pleased to do what I deem to be the limit of my duty with respect to a matter of this sort, and that is to place before the management as fully as I can the views expressed by members of the house with regard to such situations as that mentioned by the hon. member for Medicine Hat.

I appreciate very much the remarks of the leader of the opposition as relating to myself and the work which has been done. I appreciate also the importance of the principle which he laid down as to the treatment which should be meted out by parliament to the two great railway corporations in Canada. It is not generally realized that the position of Minister of Railways is rather an anomalous one. Under the general Railway Act the Minister of Railways has responsibilities with respect to all the railway systems in the country, but with regard to one of those systems he is in the position of being practically the only shareholder. My hon. friend indicated to-night that he understood very clearly the difficulties of such a position, a

position which, as he indicated, is occupied not only by the minister but by parliament in its relationship to our two great railway systems.

The hon. member for Mackenzie was somewhat concerned as to whether we were protecting Sir Henry Thornton sufficiently in connection with any negotiations which might be under way with the other great railway corporation. I hasten to assure him that neither Sir Henry Thornton nor the management of the Canadian National needs assistance from anyone by way of protection when they are engaged in negotiations with any other corporation. They can very well take care of themselves and I feel sure that any arrangement or compromise which is agreed to by Sir Henry Thornton and the management of the Canadian National Railways will not involve in any sense the sacrificing of the interests of that institution. Sometimes we do not give proper consideration to the great difficulties which have been overcome in the coordination of the various entities which have gone to the making up of the present Canadian National system. Situations such as that mentioned by my hon. friend from Medicine Hat have been simply impossible to avoid in various parts of Canada because of the method which was adopted by the government of the day and by parliament in the acquisition of these roads. Only one went through a receivership, the Grand Trunk Pacific. The others were acquired, and in the acquisition, not only was the property acquired, but also all the obligations that went with the property, many of which obligations this country would have been rid of had the receivership method been followed with respect to the Grand Trunk Railway Company and with respect to the old Canadian Northern Railway Company. The present Canadian National railway management, therefore, has assumed of necessity, not only the assets, but also all the obligations, and not only financial obligations, but obligations of a contractual nature left to it by what I sometimes describe as the wrecks of private ownership.

Mr. MATTHEWS: Could a receivership have been called into effect in the case of these other companies, in view of the guarantees of securities by the provinces?

Mr. DUNNING: I am not discussing whether or not a receivership could have been applied, but I am saying that a receivership would have relieved the present Canadian National management of a great many of the contractual obligations of the old privately-owned corporations. In answer to my hon. friend, I am personally of the opinion that the receivership method could have been applied. It was applied, as a matter of fact, in the case of the Grand Trunk Pacific, and in that case there were a number of issues of provincial government guaranteed bonds outstanding. I think that is all I have to say at the moment, unless some other points arise or matters are brought up to which I have not made a general reference. I shall be glad to answer any questions, if there are any, and if not, we might pass the resolution and proceed to introduce the bills.

Mr. SPEAKMAN: There was another point mentioned upon which I had hoped the Minister of Railways would have something to say. Before I proceed with that, however, may I say that I rather think the hon. leader of the opposition partly misunderstood my remarks. I did not in any way suggest, in mentioning the desirability of placing the two roads on a parity in the matter of receiving construction rights from this parliament, that we should relax in any degree our control over the financing of the Canadian National railway construction, or that we should permit them to indulge in the practice of receiving blanket charters, but rather that some restriction should be placed on the Canadian Pacific railway in that respect.

The leader of the opposition, in common with others, has mentioned the difficulties that have arisen in respect of that practice, and of the disabilities that have been laid upon the people of Canada in various parts by the securing of charters calling for the construction of a certain line, which line would not be constructed for years, and sometimes not at all. Thousands of people have gone into the outlying districts on the strength of just such charters and thousands of people have been sadly disillusioned when, after many years, they have found that the transportation facilities they expected had not been provided. My suggestion was not that we should extend that practice to the Canadian National railway, but rather that we should consider if it was not possible to place some definite obligation perhaps on the Canadian Pacific Railway Company in the acquisition of its charters which would tend to the more immediate construction of the lines thus authorized; somewhat in the same manner, although perhaps by different methods, as we now adopt in regard to the Canadian National. The minister, knowing the situation as he does, I am sure appreciates my point, and he must have given a good deal

of thought to the question of putting the two roads on a parity in this respect. It is well known that we have before us a great era of development of the mineralized areas in this country, and if the practice that has prevailed in the past of securing and extending charters from time to time is allowed to continue, I feel that by the time these mineralized areas are ready for development and transportation facilities are actually required, we shall find that the Canadian Pacific railway has pre-empted practically all those areas, and that may be very much to the disadvantage of the Canadian National. I believe this is a subject which might well engage our attention, and I would like the Minister of Railways, who, as an intelligent man, familiar with the circumstances, and sincerely desirous of seeing our national railway succeed, must have given thought to this matter, if he is not prepared to make some suggestion or express some thought on the matter.

Mr. DUNNING: I have, as my hon. friend indicates, had to give thought to most of the problems which arise in connection with this matter, and I had rather hoped that instead of being asked for suggestions I might possibly receive the help of members of this committee by receiving suggestions. One of the difficulties of occupying a ministerial position apparently is that one is supposed to put up proposals to be knocked down by other people, only rarely receiving from them constructive suggestions.

We are here to-night dealing with a Canadian National branch line building program. It is essentially different from a charter program. It is different because a charter program is merely a request made to this parliament for authority to build lines of railway. The Canadian National branch line program is more than that. It is not only authority to build, but it constitutes a vote by the shareholders of the money necessary for the particular piece of construction work. That is the broad difference. It is only in recent years that we have had this condition. It is only since we inaugurated the policy of a three-year construction program that we have completely got away, so far as the national system is concerned, from the old charter method. I may tell my hon. friend that all the charters held by the former private companies now comprising the Canadian National railway system have been allowed to go completely by the board, and now when the Canadian National comes to this parliament with a request to be permitted to build a branch line it means that the branch line will be built because parliament, acting as such, not only grants the charter power, but in the same bill, in the capacity of shareholders of the company, actually votes the money to do the work. The bill constitutes the authority of the shareholders, and at the same time, the authority of parliament as to charter powers.

Mr. STEVENS: Has the last three-year construction program been completed?

Mr. DUNNING: This is the last year of it.

Mr. STEVENS: Can the minister indicate roughly the stage of the program at the moment?

Mr. DUNNING: I am sorry that my report is on my desk upstairs, but I will send for it and give my hon. friend the information. In general terms I may say that the construction authorized in the last three-year program will be completed this year, with the exception of one line which, by reason of some other arrangement having been made, has become unnecessary.

Mr. STEVENS: That is quite sufficient.

Mr. DUNNING: Replying further to my hon. friend from Red Deer, this parliament, in dealing with private railway corporations in the past, has adopted the principle—mark you, it is this parliament rather than the government which has adopted the principle—of imposing in the railway committee upon the private company applying for a railway charter the obligation of commencing construction within two years, and of completing construction within five years. Now the penalty imposed by parliament in that connection simply means that unless those conditions are complied with, the authority to build the line in question lapses, and it is necessary for the railway company to come back to parliament for a renewal of the charter.

Mr. BENNETT: Just as the private company does.

Mr. DUNNING: I am speaking now of the private company. May I say to my hon. friend from Red Deer that it will be for the railway committee when the private bill of the Canadian Pacific is before them to give consideration to the condition to which he referred, and to any amendment which should be made to it in the light of experience. I am not disposed personally to go so far as completely to discourage the investment of private capital in the extension of the Canadian Pacific railway system. I do not think

that would be wise, and further I doubt the practicability of the shareholders of a private company extending the three-year authority to their directors which this parliament, as shareholders of the Canadian National, is now extending to the Canadian National by way of financial authority. I doubt if the ordinary private corporation could proceed in that manner. Or to put it in another way, I doubt very much if it would be practicable for the Canadian Pacific to come before this parliament applying for a charter having in their hands the authority of the shareholders to spend the amount of money necessary. It would require an entire readjustment of the financial arrangements of such a company to enable that to be done. But the railway committee can and, I believe, should give consideration to this point, as to whether the period during which the private company is authorized to proceed should not be adjusted to the period which has been found to be a sound period from the point of view of the Canadian National. If we did that it would mean that instead of five years, the limit of authority for building would be three years in the case of the Canadian Pacific as in the case of the Canadian National. I am only intending that as a suggestion for consideration in order to meet the condition to which my hon. friend from Red Deer and others have referred during the course of this discussion. There may be other ways. This is one which occurs to me as a means of equalizing to some extent the condition of which my hon. friend complains.

Mr. GEARY: If my hon. friend will allow a question,—has it not been the practice in the railway committee on the application of the Canadian Pacific for a new charter or for the renewal of an old charter to consider the claims of the Canadian National to the territory involved? It seems to me that in the committee I have heard the Canadian National oppose such applications. Doubtless they get notice of those applications for renewal.

Mr. DUNNING: Yes. I think every member of the committee is aware of the fact that each of the two railway companies exercise their rights before the standing committee on railways and canals to protest against any proposed activity of the other which may in their opinion be prejudicial to their own interest. But the point made by my hon. friend from Red Deer is that with respect to the private company this parliament says: Yes, you may have five years to choose whether or not you will build these lines. He submits that during that five years the national railway system is practically barred from that particular piece of territory. Not that this parliament could not authorize them to go there, but as a matter of fact if any such proposal came forward it would be opposed with some degree of legitimacy by the company which already had the charter rights. The problem which my hon. friend from Red Deer put to me I answered as best I could with one suggestion; there may be others. I am completely in the hands of the railway committee with regard to the means of fairly dealing in that equal business way, to which the leader of the opposition made reference, with regard to both these great corporations. I am satisfied that for some time to come at any rate Canada needs both these systems, efficiently managed and prosperous. I believe therefore it is of the greatest importance that we should endeavour to treat them with the utmost fairness and see to it as far as we can that they do not get into destructive and wasteful competition with each other. I hope they will compete. I can assure members of the committee that there is no lack of competition. The management and the personnel of each corporation are keen to further their respective interests. And Canada has reason to be proud of the staffs of both her great railways. They are keen in competition. But it is very easy when you have two great opposing armies, each working for its own institution,—it is easy I say for them to get into a condition where competition in certain of its aspects becomes wasteful. That is what this parliament should endeavour to guard against so as not to repeat in the future the mistakes of the past.

Mr. SPEAKMAN: Mr. Chairman, I had no intention when raising this question of reflecting in any critical way upon the minister or the government.

Mr. DUNNING: I understand that.

Mr. SPEAKMAN: I do not intend at this time to carry on an exhaustive debate on this subject, interesting and important as it is, for I realize that this is neither the time nor the place to do so. And I do not wish in any way to attack the principle of privately owned railways. The Canadian Pacific has given service. It is a transportation system of which we are proud, and although a public ownership man, I am disposed to give absolute fair play to both great systems and say: God speed you both and do the best you can for the country. All I am suggesting now for the consideration of the Minister of Railways and the railway

committee is that this problem does exist, and that as business men, as lovers of fair play, we wish to give to both railways an equal opportunity in the development of this country to do the best they can, and yet not give special privileges to either. At the present time I believe the privately owned railway has a very great advantage over the other in its plans for future extension, and I merely suggested that we should give our best consideration to meeting that problem and equalizing the condition between them as far as is possible.

Mr. MACDOUGALL: Mr. Chairman, I do not rise unnecessarily to protract the discussion precipitated by the resolution of my hon. friend the Minister of Railways (Mr. Dunning). This resolution is one of very great importance, involving as it does a contemplated construction program by the Canadian National railways for the next four years. We all realize the importance of adequate transportation facilities to every province and to every constituency of this Dominion. But those of us who find the economic development of our constituencies, with its attendant industrial prosperity and the material welfare of the people, retarded by a lack of railway transportation, feel that now is the time and this is the place to make ourselves heard and to press for redress.

I know that the generalissimo of the Canadian National railways not long ago asserted that at the opening of parliament it was the custom of hon. members to go gunning for the Canadian National railways. Now, Mr. Chairman, I do not wish to place myself in that category. I do not intend to go gunning for Sir Henry Thornton or for my good friend the Minister of Railways. As a Canadian, I am proud of the Canadian National system; it is worthy of the support and admiration of every Canadian, irrespective of party affiliation; it is perhaps the greatest experiment in government ownership in the world. I know that in planning a program of construction the Minister of Railways and those who control the management of that great system must have in mind two objects. First, they must promote economy and see to it that the colossal investment of the Canadian people shall not be impaired and that through time it will return a dividend to the people who have made such large investments in the enterprise. That is of primary importance. But there is another aspect of the question which should commend itself to every member of this house when we speak of branch lines, and that is the necessity of developing the industrial resources of the country so that our people may find employment and that in this way greater prosperity may result and a greater traffic accrue to the Canadian National system.

The constituency which I have the privilege to represent, humbly and probably feebly, has been neglected more, perhaps, than any other constituency in eastern Canada in the matter of railway transportation. We have in that constituency a road known as the Inverness railway, extending from Point Tupper to Inverness, a distance of some sixty miles. I heard the minister make some reference to it to-night, but I do not think he made any definite statement. But we had conversations with reference to the matter last winter and I gathered—and do not think I took too much for granted, but he will correct me if I am wrong—that after certain problems had been worked out in connection with some other roads, which might be described as shreds and patches left out of the Canadian National system, this Inverness road would be taken over as a part of the system. I felt I had an assurance from the minister last year to that effect; indeed, I thought I had something in the nature of a promise that this would be done before the expiration of this session. I should like to have something definite from him to-night in regard to this particular matter.

Mr. DUNNING: Like many others, my hon. friend has spoken to me with reference to the particular railway in which he is interested—and when I say interested I mean as a representative of the people of his constituency. I think if I remind him he will recollect precisely what I said. It was to the effect that when we were dealing, through the medium of the management of the Canadian National Railways, with the other properties to which I made reference this afternoon and again this evening, negotiations would be undertaken with respect to the Inverness railway. My hon. friend knows, of course, that I cannot guarantee the success of a negotiation between two parties. I could not say that the road would be taken over, because both the buyer and the seller are to be considered; and Sir Henry Thornton is in the same position in relation to that problem as with respect to others; he is empowered to undertake tentative negotiations with the owners, and upon being satisfied of the economic soundness of the proposition he may then make recommendations to the government and ascertain whether the government are prepared to accept. That position has not yet been reached

with respect to the Inverness road. I do not wish to convey to my hon. friend that it will not be reached, but at the moment I am not in a position to say definitely that it can be. It is a matter of bargaining.

Mr. MACDOUGALL: I thank the minister for his explanation, but I would point out that this road is in a slightly different position from the others he has mentioned. Some four years ago the Canadian National system took this road over under lease although they did not buy it. They have been paying a rental of $25,000 a year for the road for the past four years and they have paid the owners something like $100,000. They hold the road under option to purchase at a price of, I believe, $500,000, and already they have paid, as I say, something in the vicinity of $100,000 or $125,000 in rental. The situation is this, that so long as they do not own the road, although they have already paid one quarter of the purchase price specified in the option, they will not improve it. My constituency is therefore in the unfortunate position of having the worst railroad service to be found in any part of Canada. If the Minister of Railways would travel over that road from Point Tupper to Inverness he would immediately experience a sensation which would be distinctly good for his soul. It seems to me that since the Canadian National have already paid over a quarter of the purchase price by way of rentals, the road should be taken over and brought up to the standard of a branch line in order to provide a suitable service for the people, some 35,000, whom the road serves. But this would be only an initial step, because after that we wish to have the road extended north about sixty miles to Cheticamp. My hon. friend laughs—

Mr. DUNNING: No, no.

Mr. MACDOUGALL: —but I will tell him—

Mr. DUNNING: Just a genial smile.

Mr. MACDOUGALL: —that if he ever comes to Inverness, as three of his distinguished colleagues did last year, to address a political meeting, he will not laugh over this question. I do not think it is fair to the county which I represent and which is certainly one of the wealthiest in Nova Scotia and perhaps in the Dominion—that is, potentially. North of Inverness, in the sixty miles for which provision should be made in this program, we have something like two billion tons of coal. In Nova Scotia, when we speak of coal we speak generally in terms of the British Empire Steel Corporation, as though there were no coal deposits in the province other than those controlled by that corporation. But in Inverness county we have as much coal as is controlled by the British Empire Steel Corporation, although we cannot develop it because of lack of transportation facilities. Now we want to see this road taken over by the government and extended north to Cheticamp.

I feel I owe the house no apology for speaking about this matter, even though it is of a local nature, because this is a principle which might be followed by parliamentarians in public life as well as by individuals in their private affairs:

> To thine own self be true,
> And it must follow, as the night the day,
> Thou canst not then be false to any man.

If we are true to the constituencies we represent in parliament, we cannot be false to any other part of Canada. I would strongly urge the minister to take over the Inverness road and then extend it north to Cheticamp. I listened this afternoon to that splendid eulogy of the Highlanders of Cape Breton from my very distinguished leader (Mr. Bennett), and naturally my Scottish pride was stirred. We all have our peculiar racial characteristics and are all inclined to think that our own race is the best in the world. I must point out, however, that besides the Highlanders of Inverness county, to whom the leader of the opposition paid such a splendid tribute this afternoon, we have in the northern section, comprising 40 per cent of the population, about 15,000 French Acadians. Now if there is one class of people to whom Nova Scotia owes something, it is the French Acadian. He has been tried in the crucible and he came through splendidly. He has become a fine citizen of the province of Nova Scotia and of Canada, second to none in his loyalty to British institutions and in the love he always cherishes for this country and for that little plot he calls home. These are a homeloving people; the French Acadians in northern Inverness have stuck to the soil through thick and thin, through difficulties, travails and disappointments; they have stayed with agriculture and have developed homes for themselves under adverse circumstances.

Now what is the situation? In the winter some of these people have to carry their flour by team a distance of about fifty miles, and when they get a barrel of flour it costs them about $3 more than it costs any other Nova Scotian. That is a situation which should not prevail, and I think these people who have shown enough courage to remain on the land

and try to develop homes in this way while creating prosperity in the province of Nova Scotia are entitled to consideration from this government and from the Canadian National railways. I hope the day is not far distant when they will get the service they deserve, and if that service is not given by this government it will be given by the government headed by my leader after the next general election.

Mr. DUNNING: Perhaps I might deal with this question before any others are addressed to me. I am sure my hon. friend will not charge the Canadian National railways with being unwilling to negotiate; I can assure him that the president of the system has made an offer for this property. Over a period of years the Canadian National railways have been paying a rental of $25,000 a year, I think, based on the interest on a capital sum, and I understood my hon. friend's remarks to indicate that he agrees that this rental is rather excessive. However, in this case I submit that the Canadian National management are in the best position to know what that property is worth to the Canadian National railways, and certainly I do not intend to say to the management that they must offer more than in their opinion is a fair price. I know an offer has been made; I have not in mind the figure, but surely my hon. friend should address his remarks to the owners of the property, or else have them demonstrate from their point of view that any tentative offer made by the Canadian National management is not a fair offer. As my hon. friend indicated, the Canadian National railways now are giving service on the line in question, and I can assure him that for the last five years at least that service has been given at a loss with respect to the operation of that property. At all times the Canadian National railways have shown a disposition to endeavour to meet that situation as far as they could, having due regard to their responsibilities to the public as a whole.

Mr. MACDOUGALL: I did not intend to criticize adversely the management of the Canadian National Railways in this regard; the reply of the minister was the first intimation I had that an offer had been made for the property. About a year ago I had a conversation with Sir Henry Thornton in his Montreal office, during which he told me that it was not a question of price at all, that the price of $500,000 in the option probably would be paid when the road was taken over. I did not know that an offer had been made since; all I wanted to get at was why the road has not been taken over. If it is a question of price and if the Eastern Trust Company, who own that road, will not come to terms, I think the Canadian National Railways could find some way of making them do so. If possible I would like to know what price has been offered the Eastern Trust Company.

Mr. DUNNING: I have not the price in mind, and in any case I think my hon. friend will agree that I have gone about as far as possible in giving information on a matter which is the subject of tentative negotiation. I am not anxious to embarrass the negotiations being carried on with respect to any of these properties; indeed, possibly the sounder course would have been to come to parliament only with such as have been concluded and to refuse to discuss those under negotiation. Knowing, however, my hon. friend's anxiety and the anxiety of other members from that part of the country I wanted to give the assurance I have given to-night. If my hon. friend can help in the negotiations he is free to do so.

Mr. EVANS: It was gratifying to learn from the Minister of Railways that an arrangement had been made between the two great railway companies with respect to the construction program for this year. I can assure the house that feeling is rather keen in Saskatchewan; they believe it unfair that in any part of that northern territory the Canadian Pacific Railway Company should run their lines across the trunk lines of the Canadian National Railways which have developed that part of the country at tremendous cost to Canada. I rose particularly to put on record the views of the organized farmers of Saskatchewan. In a short letter from Mr. Thrasher, he says:

Dear Sir:—

As you are aware, organized agriculture in western Canada for over twenty-five years has fought for the institution and protection of public ownership. We therefore urge that when the subject matter of the enclosed resolution is being considered by the federal government you give every consideration to the representations made herein.

The resolution, adopted by the United Farmers of Canada, Saskatchewan section, reads as follows:

Whereas we are advised that it is the intention of the Canadian national railways to present plans at the coming session of the federal parliament for their building program, and that such plans will include the construction of a branch line from Aberdeen to Melfort, and;

Whereas we believe the construction of such branch line will provide needed service to producers in that territory between Aberdeen and Melfort, and will form an integral part in the construction of the shortest possible transporta-

tion route from northern and central Saskatchewan to Fort Churchill via government railway lines,

Therefore be it resolved we strenuously urge upon the federal government that in justice to our own national railways, and for the protection of the producer and consumer from a transportation standpoint, the application of the Canadian National Railway for authority to construct a branch line from Aberdeen to Melfort be granted, such line to be constructed immediately authority is granted.

In short, that is the view of organized agriculture in the three prairie provinces. Resolutions similar to that have been passed repeatedly, particularly since 1904, when we asked for the government ownership of the terminal elevators at Fort William. We feel that now we are recovering from the railway debacle which faced us a short time ago we should not do anything to create such a situation again. Private ownership has been very costly to this country; in fact I think I would be quite justified in saying that no public utility in private hands has been a success in Canada. While it may have paid its way it has been too costly to the people, and the cost has been out of proportion to the return received by the producer.

These are some of the views which have been constantly brought forward by organized agriculture and deliberated upon year after year. We still believe that the logical thing for all public utilities in Canada is public ownership. While an arrangement is being made between the two railways as to their branch line program at this particular time, we feel that the fight is only beginning and that it will get keener and keener as the years go on. The time is not far distant when the people of this country will see that the railway situation—one company in private hands and the other under public ownership—will simply become unbearable. We have a board and general manager connected with the publicly owned system whom I believe the country can trust, but the time may come when this may not be the case, and we may have to step in and meet a situation as bad as the one of which we have rid ourselves.

I cannot allow this opportunity to pass without putting our views on record. I received a resolution from the Saskatoon board of trade in which they completely reverse the decision arrived at by the executive committee of that body some time ago. They now believe that while the Canadian Pacific Railway Company should be treated fairly it should not be allowed to cross the line of the Canadian National, but that running rights should be granted to the Canadian Pacific to permit them to get into the new territory. They suggest that the Canadian Pacific Railway Company should acquire the line from Dalmeny to Carlton, and construct the parts needed to connect Saskatoon with Prince Albert. But whatever is done, I hope this parliament will not allow one railway to interfere with the earning power and the development and efficiency of service of the other.

Mr. CAMPBELL: As I understand it, the Canadian National not only receives authority from parliament to build lines, but that authority carries with it the obligation to build, whereas the charter received by the Canadian Pacific carries with it no obligation to build.

Mr. DUNNING: There is no obligation to build in any Canadian National bill, but there is an appropriation of money for a specific purpose, and of course it cannot be used for any other purpose.

Mr. CAMPBELL: I take it that when parliament votes the money for this purpose, the board of management of the Canadian National Railways can do nothing else but go ahead and spend that money as parliament dictates.

Mr. DUNNING: They must have a good reason for not going ahead; my hon. friend is right to that extent.

Mr. CAMPBELL: We know that companies have secured charters with the sole purpose of blocking the construction of other roads. The Canadian Pacific Railway Company has not been so great a sinner in this regard, but I do think the position of the two roads should be equalized. In certain cases the Canadian Pacific Railway charter should carry with it a forfeiture of bond and there would then be a direct obligation upon the company to go ahead and build the road, and the charter could not be used for the purpose of blocking another road.

The following is a resolution which was passed by the Wynyard section of the United Farmers of Canada:

Whereas, we believe that it is the earnest desire of the Canadian public that the national railways be allowed to expand consistently with the development needs of the country, that they may become an asset and not a liability and

Whereas it is becoming increasingly apparent that northern Canada will become a storehouse of revenue, and

Whereas, a competitive railway building program into these regions would not be to the best interest of the publicly owned railways,

Be it resolved; that we urge upon the Dominion parliament to give the national railway preference in allocating territory for railway building throughout the whole Dominion.

The following editorial appeared in the Winnipeg Free Press of January 12th last:

Having been the first in the field in the north, and being a publicly owned system in which the people of Canada have a large stake, the Canadian National system is entitled to something better than an even break in the allocation of the northern railway areas. This is to say, if both railways are prepared to build into a given area at the same time, the decision should go to the Canadian National.

The editorial continues:

The obvious line of policy for the Canadian National is to get in first, and we imagine the country will be prepared to deal with any government, house of commons, or senate, that gets in the way of this policy.

I think the principle laid down by the Free Press is a sound one, and whatever railway is in the territory should have the first opportunity to build there. The territory in dispute, as indicated by the Minister of Railways during the course of the debate this afternoon, is certainly Canadian National territory. I do not think any reasonable person will dispute that, and I hope when this matter comes before the railway committee that they will see that the Canadian National secures the consideration to which it is entitled.

Mr. RYERSON: Would the Minister of Railways reply to the question asked by the hon. member for Brant (Mr. Smoke) this afternoon?

Mr. DUNNING: I apologize for having overlooked replying to that question.

Mr. RYERSON: In order that hon. members may understand the vital interest the city of Brantford has in this matter, I should like to make this statement: When the Great Western railway was built—now the double-tracked main line between Niagara Falls and Windsor—it did not touch Brantford, but went about seven miles north of the city. When this line was double-tracked, after it was taken over by the Grand Trunk, the city of Brantford entered into an agreement with the railway company to build what is known as the Lynden cut-off, to permit the diversion of through passenger traffic via Brantford. On that occasion the city of Brantford voted a sum of $58,000, and entered into an agreement with the railway company for the carrying out of that building program. Under these circumstances you can readily understand why the city of Brantford is so much interested in seeing that some surety is given that the passenger traffic will not be diverted by means of this new line.

Mr. DUNNING: I am advised that this cut-off is intended solely for the use of through freight trains. With respect to other related matters such as the cost of construction, the reasons for it, highway crossings and so forth, I am sure the two hon. members most interested will reserve their questions for the officers of the company in the railway committee. Just at the moment I have the general explanation that the reasons for the high cost per mile are the long, continuous deep cutting for a double track and two substantial highway crossings. Full details will be available for my hon. friends in the railway committee.

Mr. SPENCER: We have heard a good deal this afternoon and evening with regard to giving each of the railways, the privately owned one and the publicly owned one, an equal opportunity. The trouble is that the publicly owned one, in my opinion, has not had an equal opportunity for a number of years. Prior to a year or so past I know that the amount of mail carried for the government by the Canadian Pacific was far more than that given to the Canadian National, and I only hope that by this time there has been a change in that respect. Again, lines which are constructed by the Canadian National are expected to be completed in three years. The Minister of Railways pointed out that there might be a discrepancy in the fact that while three years are given to the Canadian National, five years are given to the privately owned railway. The option of having two years to start and five years to finish may have been all right some years ago, but it is thoroughly out of date to-day, and we might quite well call for branch lines to be completed within three years, Railway building has developed tremendously of late years, as we have been shown in the very rapid development of the Hudson Bay railway; we should therefore equalize conditions between the two railways by having the same terms given to both with regard to construction.

I feel very much in sympathy with those members who have suggested that privately owned railways should be asked to put up some sort of security as a guarantee that they will go ahead with their work. Not only is it unfair to parliament that the railway company should fail to carry out the construction work for which a charter is given, but it is particularly unfair to those parts of Canada where the charters are given. I remember in 1922 the Canadian Pacific Railway Company came back for a charter for the eighteenth year. When a charter is given to a railway company the people very often flock into the district affected, in many instances by

the hundred, in anticipation that the railway is going to be built, and if construction is not gone on with for a number of years, frightful hardships are entailed on those who have settled there. It seems to me, therefore, that we should cut down to three years the time given to the railways to complete construction, and at the same time we should give the railways an equal opportunity for carrying His Majesty's mails.

Mr. SMITH (Cumberland): Will there be an opportunity later in the session to discuss the question of branch lines? In this connection may I say that for the past three years I have brought to the attention of the house and particularly to that of the Minister of Railways the acquiring of a branch line about twelve or fifteen miles in length, owned by the Maritime Coal, Railway and Power Company, and running from Maccan to Joggins Mines in the county of Cumberland. I have been assured by the minister that the matter of acquiring it was under the serious consideration of his department.

Mr. DUNNING: No, of the management of the Canadian National.

Mr. SMITH (Cumberland): By implication at least some assurance has been given that this road will be taken over by the Canadian National. I do not think that is a very fair or frank manner of dealing with pleas such as have been in the past in this connection. The hon. member for Inverness to-night stated that the line he spoke of was, he thought, the worst in Canada. I think that is right with one exception; because this line to which I refer is even worse than the one of which he spoke. There is no objection on the part of the company owning the line to its being acquired at a reasonable price. It serves a country that is very rich in coal, agriculture and lumber. The people have pressed for consideration for the past number of years and the minister has given me to understand, through his answers in the house in previous years, that consideration would be given to the acquiring of this branch line. I do not think it is fair or frank for that sort of statement to be held out to those people when year after year large appropriations are asked for in connection with expenditures in other parts of Canada—and I have not the least objection to them—while these people are left with a totally inadequate railway system to serve that part of the county I have the honour to represent. Will the minister assure me that there will be some opportunity of discussing the matter later on in the session, either when the railway estimates are brought down or on some other occasion?

Mr. DUNNING: I cannot deny nor would I attempt to deny to my hon. friend the right to speak to this question at any time when, under the rules of the house, a matter of this kind may be discussed. In connection with his charge of lack of frankness, there are two sides to a bargain; there are buyers and sellers, and the Canadian National Railway is not compelled to deal with anyone with respect to the purchase of the line, is not compelled to pay the price that somebody thinks the line is worth. If my hon. friend has any information as to offers that have been made by parties owning the line in question and as to the public necessity of it, seeing that he is not satisfied with the answers he has hitherto received, I wish he would put down his arguments in a letter to me which I shall be glad to transmit to the management as representing his views so that there will be no misunderstanding between us in future. If my hon. friend regards my previous replies as being unfair and lacking in frankness, as he states, that is the only recourse I have. I cannot go further than that.

Mr. SMITH (Cumberland): I have no direct knowledge myself of the offer, or of anything concrete with respect to the negotiations that have taken place between the company and the Canadian National Railways; but my information is that they have been for some time past at the point of agreement, and that they are merely waiting for the Canadian National Railways to accept the offer which they have made and which they consider to be a reasonable one. As I say, I have not been in communication with the company and I cannot give any direct statement about the matter, but that is the information that comes to me from fairly reliable sources.

Mr. DUNNING: My hon. friend is of course not the only member of the house who has pressed that matter of the Joggins railway. I cannot add anything to what I said a few moments ago.

Mr. BOURGEOIS: In view of the observations of the Minister of Railways and Canals with regard to the purchase in the very near future of the Kent Northern Railway, I desire to draw his attention to the fact that in the last request made for its purchase a provision was embodied that in the event of its purchase favourable consideration should be given for its extension from Richibucto to St. Louis,

a distance of about seven miles. This extension would be of the greatest importance to the people of the northern section of Kent county, as it would serve one of the most beautiful and prosperous agricultural sections in New Brunswick. It is because of the disadvantages under which these people are labouring, and because of the advantages they would derive from the affording of proper railway facilities, that I take this opportunity of bringing this very important matter to the attention of the Minister of Railways. I trust, therefore, that at as early a date as possible after the negotiations have been completed he will ask the management of the Canadian National Railways to give the matter favourable consideration so that steps may be taken looking to the completion of the extension to which I refer.

Mr. DUNNING: I shall be glad to direct the attention of the Canadian National management to the remarks made by my hon. friend this evening, and I feel sure that the matter will be looked into.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 43, respecting the construction of a Canadian National railway line from a point on the Murray Harbour branch to a point on the Georgetown subdivision of the Canadian Government Railways, in the province of Prince Edward Island.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 44, respecting the construction of a Canadian National railway line from Sunnybrae to Guysborough, in the province of Nova Scotia.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 45, respecting the construction of a Canadian National railway line from a point on the Dundas subdivision near Brantford to a point on the Dunnville subdivision near Cainsville, in the province of Ontario.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 46, respecting the construction of a Canadian National railway line from a point on the Garson branch to the Falconbridge mine, in the province of Ontario.

Motion agreed to and bill read the first time.

[Mr. Bourgeois.]

Mr. DUNNING moved for leave to introduce Bill No. 47, respecting the construction of a Canadian National railway line from a point on the Sudbury branch to a point in the township of Fairbank, in the province of Ontario.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 48, respecting the construction of a Canadian National railway line from a point near Melfort to a point near Aberdeen, in the province of Saskatchewan.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 49, respecting the construction of a Canadian National railway line from a point near Central Butte or Mawer to a point in township 18 or 19, range 10 or 11, west of the third meridian, in the province of Saskatchewan.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 50, respecting the construction of a Canadian National railway line from Neidpath to a point on the Canadian Pacific railway near Swift Current, in the province of Saskatchewan.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 51, respecting the construction of a Canadian National railway line from Ridgedale, in the province of Saskatchewan. thirty miles toward The Pas, in the province of Manitoba.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 52, respecting the construction of a Canadian National railway line from a point near Unity to a point near the provincial boundary in township 36 or 37, in the province of Saskatchewan.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 53, respecting the construction of a Canadian National railway line from a point near Hamlin to a point near Glenbush Medstead or Robin Hood, in the province of Saskatchewan.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 54, respecting the construction of a Canadian National railway line from St. Walburg, in the province of Saskatchewan, to Bonnyville, in the province of Alberta.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 55, respecting the construction of a Canadian National railway line from Alliance to a point near Youngstown or Dobson, in the province of Alberta.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 56, respecting the construction of a Canadian National railway line from a point at or near Bulwark to apoint in township 38 or 39, range 8, west of the fourth meridian, in the province of Alberta.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 57, respecting the construction of a Canadian National railway line from Hemaruka to Scapa, in the province of Alberta.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 58, respecting the construction of a Canadian National railway line from a point near Swift Creek to a point near Tête Jaune, in the province of British Columbia.

Motion agreed to and bill read the first time.

Mr. DUNNING moved for leave to introduce Bill No. 59, respecting the construction of a Canadian National railway line from New Westminster to a point on Lulu Island, in the province of British Columbia, with branches therefrom.

Motion agreed to and bill read the first time.

Mr. DUNNING: I think it would facilitate business if the house would consent to have the bills read a second time now, in order that they might be immediately sent to the committee on railways and canals. The discussion we have had this evening is the sort of discussion which would normally take place on the second reading, and if the house is agreeable I would appreciate advancing the bills to that extent.

Mr. BENNETT: So far as we are concerned we desire to expedite the business of the house to that extent. There is no purpose to be served by delay, except delay itself, which we do not desire.

Mr. DUNNING: Then I move, Mr. Speaker, that the said bills be now read a second time.

Mr. BENNETT: I doubt whether the motion should be put in just that way. I think there should be a separate motion for each bill.

Mr. DUNNING: They will be recorded separately. That was the understanding on a former occasion.

Mr. SPEAKER: By unanimous consent.

SECOND READINGS AND REFERENCE TO RAILWAY COMMITTEE

On motion of Mr. Dunning the following bills for the construction of Canadian National branch line railways were read a second time and referred to the select standing committee on railways, canals and telegraph lines:

Bill No. 43, respecting the construction of a Canadian National railway line from a point on the Murray Harbour branch to a point on the Georgetown subdivision of the Canadian Government Railways, in the province of Prince Edward Island.

Bill No. 44, respecting the construction of a Canadian National railway line from Sunny Brae to Guysborough, in the province of Nova Scotia.

Bill No. 45, respecting the construction of a Canadian National railway line from a point on the Dundas subdivision near Brantford to a point on the Dunnville subdivision near Cainsville, in the province of Ontario.

Bill No. 46, respecting the construction of a Canadian National railway line from a point on the Garson branch to the Falconbridge mine, in the province of Ontario.

Bill No. 47, respecting the construction of a Canadian National railway line from a point on the Sudbury branch to a point in the township of Fairbank, in the province of Ontario.

Bill No. 48, respecting the construction of a Canadian National railway line from a point near Melfort to a point near Aberdeen, in the province of Saskatchewan.

Bill No. 49, respecting the construction of a Canadian National railway line from a point near Central Butte or Mawer to a point in township 18 or 19, range 10 or 11, west of the third meridian in the province of Saskatchewan.

Bill No. 50, respecting the construction of a Canadian National railway line from Neidpath to a point on the Canadian Pacific railway near Swift Current, in the province of Saskatchewan.

Bill No. 51, respecting the construction of a Canadian National railway line from Ridgedale, in the province of Saskatchewan, thirty miles toward The Pas, in the province of Manitoba.

Bill No. 52, respecting the construction of a Canadian National railway line from a point near Unity to a point near the provincial boundary in township 36 or 37, in the province of Saskatchewan.

Bill No. 53, respecting the construction of a Canadian National railway line from a point near Hamlin to a point near Glenbush, Medstead or Robin Hood, in the province of Saskatchewan.

Bill No. 54, respecting the construction of a Canadian National railway line from St. Walburg, in the province of Saskatchewan, to Bonnyville, in the province of Alberta.

Bill No. 55, respecting the construction of a Canadian National railway line from Alliance to a point near Youngstown or Dobson, in the province of Alberta.

Bill No. 56, respecting the construction of a Canadian National railway line from a point at or near Bulwark to a point in township 38 or 39, range 8, west of the fourth meridian, in the province of Alberta.

Bill No. 57, respecting the construction of a Canadian National railway line from Hemaruka to Scapa, in the province of Alberta.

Bill No. 58, respecting the construction of a Canadian National railway line from a point near Swift creek to a point near Tête Jaune, in the province of British Columbia.

Bill No. 59, respecting the construction of a Canadian National railway line from New Westminster to a point on Lulu island, in the province of British Columbia. with branches therefrom.

CANADIAN NATIONAL RAILWAYS

GRAND TRUNK ACT, 1906-7, AMENDMENT—PENSION FUND

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the third reading of Bill No. 2, to amend the Grand Trunk Act, 1906-7, with respect to pensions.

Motion agreed to and bill read the third time and passed.

[Mr. Speaker.]

RAILWAY ACT AMENDMENT

GRANT TO RAILWAY GRADE CROSSING FUND

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Railway Act and to provide for a grant to the railway grade crossing fund of $200,000 per year for ten consecutive years from the 1st April, 1929.

Mr. BENNETT: On the assumption that the hon. minister will afford the same facilities for discussion of the resolution as was done in the previous case, it seems to me desirable that the house go into committee without further discussion.

Motion agreed to, and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING: Mr. Chairman, this resolution deals with one feature only of a general amending bill covering several amendments to the railway act. It happens to be the only financial feature requiring a resolution. If the resolution be carried, the bill when introduced will enable hon. members to become familiar with the terms of the other proposed amendments, which are I believe of more importance in the minds of many hon. members than the one specifically mentioned in this resolution. With respect to the financial resolution only, the amendment provides for a renewal for a further period of ten years of the grant, now provided by statute, of $200,000 a year to the grade crossing fund.

Mr. BENNETT: When was the original vote passed?

Mr. DUNNING: Twenty years ago. It will be remembered that during the last session of the house I proposed certain amendments to the railway act with respect to the grade crossing fund, designed to bring the fund into more general use for the purposes for which it was originally created by parliament. During the year the effect of those amendments has become apparent, and a much greater interest is now being taken in the grade crossing problem by municipalities, the provinces and the railway companies.

Mr. BENNETT: What balance is left in the fund?

Mr. DUNNING: The effect of the increased activity has been to reduce the sum available in the fund as of the 9th of February, 1929—the most recent figures I could get—to $1,904,387. That includes all the credits available under previous legislation. I

have statistical data which perhaps can be better dealt with so far as the general question is concerned when the bill gets to the committee on railways and canals. I may say that the various matters contained in the amending bill which will be introduced following adoption of this resolution can be satisfactorily dealt with only before a committee of the house. For the convenience of those using the railway act it is always desirable to have all amendments made to the act during any one session included in a simple amending bill rather than in the form of a number of separate amendments. Therefore my proposal is, if it suits the convenience of hon. members, that the discussion with respect to this matter take place in the railway committee, and again in committee of the whole when the bill comes back to the house. I think that would be the best way to move forward; and of course if the house is agreeable to passing the resolution now it would not preclude future discussion.

Mr. GEARY: Does the minister think it expedient to put that statistical information, if not too voluminous, on Hansard, or to distribute it to hon. members in some other way?

Mr. DUNNING: With respect to the grade crossing fund?

Mr. GEARY: Yes.

Mr. DUNNING: I shall be very pleased to supply it to my hon. friend.

Mr. CAHILL: Put it on Hansard.

Mr. GEARY: I was suggesting that the minister put it on Hansard so that it will be available to everybody.

Mr. PRICE: Mr. Chairman, I am glad indeed to hear the minister say that $200,000 a year for ten years will be provided for in the estimates. I desire to call to his attention an unsatisfactory condition of affairs in my constituency. A few years ago in the city of Moncton an arrangement was made with the railways for the depression of the railway tracks in order to eliminate the level crossings through the centre of the city. At that time the city council, influenced very largely by the press then supporting the Liberal opposition, declined to cooperate with the railway department. The railway went so far as to say they would pave the street between the two subways, as it was considered important that the work should be carried out. I wish to call the attention of the minister to the very urgent necessity of making those improvements. We have had some very near accidents at that point. Moncton, being the headquarters of the Intercolonial railway, is a very important railway centre, with upwards of 2,000 employees, and the Atlantic division of the Canadian National is handled there. As this suggestion has been before his department on a previous occasion and has been approved, I would ask the minister to have it looked into again to see if something cannot be done to improve these very unsatisfactory railway crossing conditions in the city of Moncton.

Mr. CAHILL: Will the statistics which the minister proposes to put on Hansard show the number of people whom we are succeeding in killing on level crossings each year?

Mr. DUNNING: In fairness to the railways I would say that it is a statement of the number of people who succeeded in killing themselves rather than of those whom the railway succeeded in killing. If there is one fact that is emerging from the investigations that are being conducted by the Board of Railway Commissioners with the aid of the municipalities and the safety league, it is that the people engage in the business of killing themselves to a far greater extent than the railways engage in killing them. A member of the railway board called my attention to this strange condition, that with respect to all the level crossings within our cities over which electric cars travel at very high speeds, the accidents are relatively few. I suppose it is because the danger is ever present within a city, whereas the temptation out on the country road is to try to beat the train. Frankly, it is not within the range of financial possibility for this country to separate all grade crossings even if the Dominion, the provinces and the municipalities cooperated to the fullest extent.

Mr. BENNETT: There are 15,000 grade crossings.

Mr. DUNNING: Yes; and of necessity they are being added to every year. But very good work is being done by the railway board and by the municipalities under the amended provisions of the Railway Act which came into effect last year, and which have loosened up and made possible assistance for the separation of grades at crossings that under the old law was not possible.

Mr. BENNETT: In my judgment it is rather bad practice to introduce a money bill with legislation affecting an amendment to the Railway Act itself, because in another place there might be power to amend or

reject the latter, but there is no power either to amend or to reject a money bill—at least we say there is not. To introduce a money measure. which must be preceded by resolution, with amending provisions of the Railway Act, is in my judgment wrong. It was started some years ago when there were introduced into the Railway Act provisions for the grant of a sum of money to the railway grade crossing fund.

Mr. DUNNING: Yes.

Mr. BENNETT: When the act was consolidated those provisions were inserted. Now, we are dealing with this money measure as a part of the Railway Act, and I think it is bad practice from a parliamentary standpoint. One of the strange anomalies that is very difficult to explain is that notwithstanding this parliament has provided about $200,000 a year to assist in eliminating the dangers incident to level crossings, we still have in that fund over a million dollars, the equivalent of five years' accumulation.

Mr. DUNNING: Yes.

Mr. BENNETT: It is a singular commentary upon the lack of curiosity on the part of municipalities to ascertain how they may be assisted in bearing the cost of grade separation. The situation in Moncton, referred to by the hon. member for Westmorland (Mr. Price), was strikingly brought to my attention while passing over that very area last summer in a motor car. It does seem to me that if recourse were had to the amended provisions as to the availability of a portion of the grade crossing fund for the purpose, some relief might be possible. I am not sure whether under the amended provisions the fund would be available in that particular case.

Mr. DUNNING: The present provisions are very broad.

Mr. BENNETT: Yes, last session they were broadened to meet practically every case that might be suggested. But, as we said last session, is it desirable to extend financial assistance beyond the term of the parliament that grants it? We are going to make a ten-year grant within measurable distance of the end of this parliament, and we have a five-year accumulation of the fund unexpended. That probably is of academic interest, due to the fact that it is money intended for a purpose about which there is unanimity of opinion. But it does occur to me that the better way to deal with this matter is to put the $200,000 in the estimates every year and not make part of the Railway Act provisions which by reason of their financial character must be preceded by a resolution, and which in reality have nothing to do with the Railway Act.

Mr. DUNNING: I am not inclined to disagree with my hon. friend in respect to the general position which he takes with regard to a financial measure being included as part of a general measure; but, as he very properly stated, the practice did not start in parliament and antedates my presence here by some years and, I think, his own.

Mr. BENNETT: Yes.

Mr. DUNNING: Having regard to the well known situation of it from the point of view of the interested parties, and the circulation of the information in the form which has taken place during the past year, I think my hon. friend will agree with me that there would likely be confusion in changing it.

Mr. BENNETT: Except if it were put in the estimates, which it well might be.

Mr. DUNNING: In both of the last sessions during which I have occupied my present position there have been amendments broadening the application of the fund. The result of that is seen in the payments made. I give now the statistical information my hon. friend asks for. The aggregate expended up to and including 1928 is as follows: The railways, $4,315,333; the municipalities, $4,430,298; and the grade crossing fund, $1,079,595; or a total of $9,825,227. During 1928, up to November 7, the grade crossing fund expended $662,000; that is for 1928-29. So my hon. friend will see that if this rate of expenditure continues it will not be very long before it will be necessary to come back to parliament and ask that the $200,000 a year be considerably increased.

An hon. MEMBER: Hear, hear.

Mr. DUNNING: An hon. member says "hear, hear," but there is a feature of the question which I might mention even at this late hour, and that is the provision made whereby provinces may come in and contribute towards this fund, with such conditions regarding the expenditure of their contribution as they may desire to lay down. I believe the province of Quebec is now considering making some such arrangement, which undoubtedly would have the effect of greatly encouraging grade separation and crossing protection generally in any province which should see fit to contribute to the fund. After all the responsibility. strictly speaking, is on the railway and the municipality, or the crown in the right

of the province in any highway which crosses the railway. This assistance is another of those forms of Dominion aid intended to induce and to help other bodies to carry out what are really local obligations. More and more it is being recognized that this problem is of such a serious character as to justify contributions on a basis which will, under the administration of the federal body, please remember, enable the problem to be more adequately dealt with as time passes.

Sir EUGENE FISET: Is there any provision in the present railway law to enable the department to spend any money under this vote with the aid of the provincial government instead of the municipalities? I do not think there is.

Mr. DUNNING: Yes.

Sir EUGENE FISET: And you will accept the contribution of the provincial government instead of a grant from the municipality?

Mr. DUNNING: Absolutely.

Mr. BENNETT: It is done in the western provinces.

Mr. BROWN: With reference to the point raised by the hon. member for Pontiac, it may possibly be considered outside the realm of the discussion but the matter is one to which the house should give some consideration. Would it be within the province of the railway committee to discuss the question as to people being killed at grade crossings? The minister has properly said that people are killing themselves at grade crossings. This is a subject to which the attention of the public should be drawn. A resolution was placed on the order paper at a convention of the United Farmers of Manitoba in which it was proposed to make it an offence for a person driving a vehicle of any kind not to stop on coming to a grade crossing. The moment the resolution was read there was such a protest that the person who intended proposing it refrained from putting his motion. It seems to me that either the railway committee or some other committee, at any rate somebody, by means of a private resolution or otherwise, should bring this question to the attention of the house. I am informed by railway men that it is becoming a serious question for railway engineers. It is getting on their nerves, this foolish practice indulged in by some people who drive automobiles. A case was called to my notice of a man who had been in the habit of racing the train for a few miles alongside the track and then crossing ahead of the engine and waving his hand at the engineer. Finally he was caught. This practice should be frowned upon. In fact, not only deliberate attempts to get ahead of trains but carelessness as well should be frowned upon, and in some way the attention of the public should be directed to the very serious condition of things which has developed. We must have some sympathy with the railway engineer. He is in charge of a train travelling with a tremendous momentum, and which cannot be stopped at a moment's notice.

Mr. BENNETT: And, what is more, cannot turn aside.

Mr. BROWN: Exactly. While the public may not be prepared to accept the principle that it should be accounted a criminal offence for anyone to go over a railway crossing without first stopping, nevertheless the time will come when we shall have to give further consideration to this problem. It seems to me that the railway committee might very well engage at this time in an investigation of the question.

Mr. DUNNING: That is what I had in mind a little while ago when I referred to the desirability of getting this particular amending bill before the railway committee. There it will be possible to summon the officers of the Board of Railway Commissioners having to do with the administration of the fund, and also to get the officials of the railways who are in touch with the men themselves, the men who are subject to the strain mentioned by my hon. friend. In connection with this matter the railway committee could, I believe, become an excellent safety propaganda medium, much more so than this committee, for the reason that those specially engaged in the work could appear before the members of that committee with necessary information and answer any questions asked.

Mr. GEARY: The leader of the opposition brought up a question with regard to the size of the fund remaining. Until recently the railway board has been loth to undertake any expenditure, giving plainly as the reason that there was no prosperity apparent in the finances of the Canadian National Railways, and that it did not choose to saddle that railway with any greater expenditure than could be helped. For this reason many applications of merit have been refused. If the Minister of Railways will look at his fund he will find that he has a considerable balance, and the means of getting rid of it in a way which will be fair both to the municipality and to the railway is to amend the section so that larger

grants, in connection with each separation of grades ordered, might be made. This would relieve the municipalities of a burden. The contributions at present, except in a few cases, do not amount to a great deal of money. However, we shall have an opportunity later on of discussing this very point with the statistics before us. Anyone who has any experience in the matter will recognize that the reason for the balance in the fund is the fact that it has not been drawn upon by the railway commission; it is not that there were no cases in which the commission had jurisdiction to make allowances.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 60, to amend the Railway Act.

Motion agreed to and bill read the first time.

FISH INSPECTION ACT AMENDMENT

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved the second reading of Bill No. 25, to amend the Fish Inspection Act.

Mr. BENNETT: Will the minister make a short explanation?

Mr. CARDIN: I intend to move that the bill be sent to the marine and fisheries committee in order to give interested members an opportunity to discuss it fully.

Motion agreed to, bill read the second time and referred to the select standing committee of marine and fisheries.

FISHERIES ACT AMENDMENT

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved the second reading of Bill No. 26, to amend the Fisheries Act.

Mr. BENNETT: Would the minister say shortly what the bill is about?

Mr. CARDIN: The object of the bill is to put into effect the recommendations of the fisheries commission, and the bill makes statutory the seasons for fishing in the different sections of the maritime provinces. I intend to ask that this bill also be referred to the select standing committee on marine and fisheries.

Mr. BENNETT: I am afraid that under the circumstances this bill can be hardly sent to a committee to-night, because the question of making statutory regulations which heretofore have been enforced at the discretion of the minister is a matter about which some hon. members desire to make some observations, especially having regard to the variable character of the discretion which has been exercised by different ministers during the last ten years. There is a difference of opinion with respect to these matters which some hon. members wish to discuss.

Mr. W. G. ERNST (Queens-Lunenburg): I should like to ask the minister one question with reference to these two bills. According to the order paper they are the only bills to be introduced as a result of the report of the fisheries commission. Are we to take it that these two bills embody all the changes to be made as a result of the work of that commission, or are others contemplated?

Mr. CARDIN: The other recommendations were matters of regulation which we can carry out without coming to parliament.

Mr. ERNST: Are we to take it that this is the only legislation resulting from the investigation by the fisheries commission?

Mr. CARDIN: Yes, this will be the only legislation this session.

Mr. ERNST: And that commission cost $100,000.

Motion agreed to, bill read the second time and referred to the select standing committee of marine and fisheries.

MILITIA PENSION ACT AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence) moved the second reading of Bill No. 33, to amend the Militia Pension Act.

Hon. R. B. BENNETT (Leader of the Opposition): If the bill goes into committee it will have to come right out to-night, because some question has been raised as to its effect upon pensions, as to whether or not it should be amended in order to provide some more favourable treatment for those whom it might adversely affect by the application in the future of a principle which has not been applied in the past. I suppose if it does go to committee the committee must rise immediately, because it is now eleven o'clock.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

Progress reported.

TECHNICAL EDUCATION ACT

Hon. PETER HEENAN (Minister of Labour) moved the second reading of Bill No. 34, to amend the Technical Education Act.

Mr. BENNETT: We can hardly proceed with this.

Mr. MACKENZIE KING: There will be no discussion on the second reading; the bill just goes to committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, February 25, 1929

The house met at three o'clock.

DOMINION ELECTIONS ACT

SUSPENSION OF LIMITATION UPON MEMBERSHIP OF SPECIAL COMMITTEE

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

That the provisions of standing order 65 under which no special committee may, without leave of the house, consist of more than fifteen members, be suspended in connection with the resolution passed by this house on February 22, appointing the special committee on the Dominion Elections Act, 1920.

He said: I think twenty members were put on that committee.

Motion agreed to.

PRIVATE BILLS

SECOND READING

Bill No. 39, respecting the Essex Terminal Railway Company.—Mr. Odette.

CANADIAN PACIFIC RAILWAY COMPANY

Mr. D. F. KELLNER (Athabaska) moved the second reading of Bill No. 41, respecting the Canadian Pacific Railway Company.

Some hon. MEMBERS: Explain.

Mr. KELLNER: This is a Canadian Pacific railway bill providing for branch lines. I think every hon. member expected it to be brought down. It provides for their construction in the coming year.

Motion agreed to and bill read the second time.

Mr. KELLNER moved:

That Bill No. 41, respecting the Canadian Pacific Railway Company, be immediately referred to the select standing committee on railways, canals and telegraph lines, on the grounds of urgency and pressing necessity, and that standing order No. 105 in relation thereto be suspended.

Mr. DUNNING: I did not catch what the hon. member said.

Hon. R. B. BENNETT (Leader of the opposition): What was asked was that the bill be referred immediately to the committee and not be delayed in consequence of having to be posted under the existing standing order 105. In view of the discussion that took place in the house the other evening I think the minister would be glad to have the bill referred to the committee immediately so that the whole matter may be before it for discussion of the pros and cons.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): With that explanation I have no objection, but because the hearing of matters of this kind involves the gathering together on the part of each of the great railway systems of a number of their officers, I have endeavoured, in cooperation with the chairman of the committee on railways, canals and telegraph lines, to get some sort of a date in advance. I believe the arrangement now is—and the chairman of the committee can correct me if I am wrong—that the bills respecting the Canadian National will be considered at the Thursday meeting of the committee; that Thursday will be the Canadian National day, and that other matters before the committee will be taken up to-morrow morning. The position created by this motion will be that by Thursday the Canadian Pacific bill will also be in the hands of the committee and before it for consideration.

Mr. BENNETT: Otherwise it would not be?

Mr. DUNNING: No.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

IMMIGRATION OF MINERS

Mr. BOULANGER:

1. How many miners were brought to Canada from England for the harvest last summer?
2. How many of said miners are at present in Canada?
3. How many of those who remained here are settled on the land?
4. What was the cost to Canada of this experiment?

Mr. FORKE:

1. 8,449 persons came to Canada under the harvester movement.

2. Upwards of 2,000.

3. No definite information.

4. There was no outlay on the part of the government of Canada in connection with the harvester movement, except cooperation in placing them at harvest work. The British government and the transportation companies were responsible for transportation to Canada and for the return of those who went home.

HOME SEEKERS RATES

Mr. BOULANGER:

What was done to carry out the recommendations of the committee on Agriculture and Colonization in regard to granting reduced rates for the transport of Canadian settlers and with reference to the advantages which were to be given to sons of Canadian farmers having a knowledge of agriculture in order to facilitate their settling on the land?

Mr. FORKE:

The report of the select standing committee on agriculture and colonization recommended on June 6, 1928, that "measures be taken to ascertain whether the railways will restore the homeseekers' rates in effect prior to the war, making such rates effective eastbound as well as westbound." In accordance with this recommendation a letter, dated July 7, 1928, was addressed to the presidents of the Canadian Pacific railway and the Canadian National railways by the Deputy Minister of Immigration and Colonization, calling their attention to the recommendation of the select standing committee and inquiring if the railways would restore the homeseekers' rates. All the railways in Canada being concerned, the matter was referred by the presidents to the Canadian Passenger Association which subsequently replied as follows:—

Referring to your letter of July 7th addressed to the presidents of the Canadian National and Canadian Pacific railways quoting an extract from report of the select standing committee on agriculture and colonization advocating the restoration of home seekers' rates in effect prior to the war, making such rates effective eastbound as well as westbound.

As this is a matter that affects all Canadian railways to a more or less extent, it has been referred to the Canadian Passenger Association for consideration and reply.

Specially low fares for home seekers from eastern to western Canada were inaugurated, as you will probably recollect, many years ago when it was difficult to secure settlers for the prairie provinces and it was necessary from a national standpoint to encourage the movement in every way possible. At that time there was very little business and commercial travel oetween the east and west.

As the settlement of the western provinces ,rogressed, business and commercial travel gradually developed and the home seekers' travel from eastern Canada steadily decreased. As the legitimate use of the fare gradually diminished, the railways in order to protect their interests against the advantage being taken of the fare by business and commercial travel gradually raised the charge.

The increase in home seekers' fares has not been detrimental in so far as settlement of the west is concerned, inasmuch as the exceptionally low harvest help fares authorized each year meet the requirements of the actual land seeker from eastern Canada far better than the home seekers' excursion fares, which is evidenced by the fact that for a number of years the majority of those in eastern Canada who desired to settle on the land in the west took advantage of these special harvest help fares. This gives them the advantage of working for farmers in the west and earning more than enough to pay their passage fares both ways, and those who decide to settle in the western provinces arrange to move their families at the time of the next harvest excursion, when they have their buildings and home under way and ready to receive them.

Further, we are of the opinion that present conditions in Canada are such as to make it inadvisable to unduly encourage removal of individuals and families from one province to another. All provinces have vacant land and are anxiously endeavouring to not only hold their present population but to secure new settlers. Certain of the provinces have even felt the drain caused by the harvesters' excursions and have made protest against the arrangement. Our records indicate that from fifteen to twenty per cent of the harvesters who go west each year do not return to the east and that the majority of those who do not return actually settle on the land.

After very careful consideration the railways are strongly of the opinion that it would not be in the general interest to make any reduction in the present so-called "homeseekers' fares".

The select standing committee also recommended, subject to the completion of satisfactory arrangements with governments of the provinces, that assistance equal to that given by the British government to British emigrant boys be extended by the government of Canada to the Canadian youth who are trained in agriculture. This is still the subject of negotiation with the provincial governments.

DISTRESS AMONGST WELSH MINERS

Mr. CHURCH:

1. Has the attention of the government been called to the great distress in Wales among the miners and their families?

2. Will the government consider some form of assistance towards their relief?

3. What action will be taken, if any?

4. What moneys have been voted since 1905 for relief in the British Empire and elsewhere towards sufferers from famine and disaster?

Mr. MACKENZIE KING:

1. No official intimation has been received.

2 and 3. In cases of unemployment it has not been customary for one government to propose a grant for relief without an indica-

tion from the government of the country in question that such a course would be acceptable.

4. $806,736.72 has been paid since 1905 for relief in cases of sudden disaster and famine.

VANCOUVER ISLAND DEVELOPMENT

Mr. NEILL:

In view of the extensive developments on the west coast of Vancouver island, has the government in contemplation a more extensive program of charting the coast and inlets?

Mr. CARDIN: It is the intention of the government to continue the hydrographic survey of the west coast of Vancouver island and to prosecute the work with the greatest expedition that weather conditions and available facilities will permit.

IMPERIAL WIRELESS AND CABLE CONFERENCE

Sir GEORGE PERLEY:

1. Has the report of the Imperial Wireless and Cable conference, 1928, been accepted by the Dominion government?

2. Has the share of the Pacific cable owned by Canada been transferred to the Communications Company, or to any other company?

3. If so: (a) what price has Canada received for the same; (b) under what authority was the transfer made?

4. Is it the intention of the government to introduce in parliament any legislation in connection with this matter?

Mr. VENIOT:

1. The recommendations of the Imperial Wireless and Cable conference, 1928, have been in general accepted by the governments concerned including the government of Canada.

2. The Imperial Telegraphs Act, 1928, which received the royal assent February 5, 1929, provides that the Pacific Cable Board with the consent of and on terms approved by all the partner governments may sell to the Communications Company the Pacific cable undertaking. Negotiations are in progress.

3. See 2.

4. The necessity for concurring legislation is under consideration.

PORT MAITLAND HARBOUR REPAIRS

Mr. SENN:

1. Was a contract awarded for the repairs now under way to the west pier at Port Maitland harbour, Ontario?

2. If so, to whom and at what price?

Mr. ELLIOTT:

1. Yes.

2. (a) Messrs. Cameron & Phin; (b) Approximately $28,058 (unit prices).

UNEMPLOYMENT

Mr. CHURCH:

1. Has the government any plans for providing employment for the great body of the unemployed?

2. If so, what are they and what action will be taken and when?

Mr. HEENAN:

1. The question of unemployment is one for the provincial governments.

2. Answered by No. 1.

PORT ARTHUR DRY DOCK AND SHIPBUILDING COMPANY

Mr. PECK:

1. Are any subsidies paid by the government to the Port Arthur Dry Dock and Shipbuilding Company?

2. If so, what are the terms of the subsidy contract, and since what date has such subsidy been paid?

3. What amount has been paid per year as subsidy to the above-mentioned company, during the past five years?

Mr. ELLIOTT:

1. Certain annual subsidies are being paid to the National Trust Company, Limited, as trustees for the bond holders of the Port Arthur Shipbuilding Company, Limited.

2. Subsidy for 20 years at the rate of 3 per cent on the cost of the dock, namely, $1,258,050. Commencing July 16, 1914, there were four annual payments on account, each amounting to $35,641.50. The full subsidy of $37,741.50 has been paid annually since October 19, 1918. There will be sixteen payments of $37,741.50, followed by four payments of $2,100 to complete the four payments of $35,641.50.

3. $37,741.50.

POST OFFICE—WEIGHT OF MAIL

Mr. HOCKEN:

1. What is the weight of first class mail carried by the Canadian post office system from each of the larger countries in the Postal Union, namely, Great Britain, France, Germany, Italy and the United States, and what is the total of these weights?

2. What is the weight of first class mail sent out from Canada to each of the larger countries in the Postal Union, namely, Great Britain, France, Germany, Italy and the United States, and what is the total of these weights?

3. What is the weight of second class mail carried by the Canadian post office system from each of the larger countries in the Postal Union, namely, Great Britain, France, Germany, Italy and the United States, and what is the total of these weights?

4. What is the weight of second class mail sent out from Canada to each of the larger countries of the Postal Union, namely, Great Britain, France, Germany, Italy and the United States, and what is the total of these weights?

Mr. VENIOT:

1.

Country	Approximate Weight pounds per annum
Great Britain	700,000
France	35,000
Germany	8,000
Italy	8,000
United States	2,300,000
	3,051,000

2

Great Britain	700,000
France	18,000
Germany	5,000
Italy	10,000
United States	2,000,000
	2,733,000

3.

Great Britain	5,800,000
France	30,000
Germany	12,000
Italy	12,000
United States	8,500,000
	14,354,000

4.

Great Britain	900,000
France	20,000
Germany	4,000
Italy	5,000
United States	5,000,000
	5,929,000

EMPLOYMENT SERVICE COUNCIL

Mr. KENNEDY:

1. How many meetings of the Employment Service Council of Canada were held in 1928?

2. Who were the representatives: (a) invited, and (b) in attendance at each meeting of the council?

3. Who paid the expenses of the delegates for attendance?

4. What was the amount of the expenses so paid?

Mr. HEENAN:

1. One general meeting and two executive meetings.

2. (a) The entire membership of the Employment Service Council of Canada was invited as follows:

Representing—Members

Province of Nova Scotia, Hon. J. A. Walker; Province of New Brunswick, Geo. R. Melvin; Province of Quebec, Jos. Ainey; Province of Ontario, J. H. H. Ballantyne; Province of Manitoba, J. A. Bowman; Province of Saskatchewan, G. E. Tomsett; Province of Alberta, W. Smitten; Province of British Columbia, J. D. McNiven; Canadian Manufacturers' Association, E. Blake Robertson; Canadian Manufacturers' Association, H. W. Macdonnell; The Trades and Labour Congress of Canada, J. T. Foster; The Trades and Labour Congress of Canada, Jas. Simpson; The Railway Association of Canada, C. P. Riddell; The Canadian Railway Brotherhoods, S. N. Berry; The Canadian Council of Agriculture, Bruce McNevin; The Canadian Council of Agriculture, J. W. Ward; The Department of Labour, Mrs. Chas. Caucutt; The Department of Labour, Mrs. Edith Rogers, M.L.A.; The Department of Labour, R. A. Rigg; The Returned Soldiers' Organizations, Geo. Herwig; The Department of Pensions and National Health, E. H. Scammell; The Canadian Construction Association, J. Clark Reilly; The Canadian Lumbermen's Association, R. L. Sargant.

Executive Committee

Chairman, Jas. Simpson, Toronto, Ont.; Vice-Chairman, J. Clark Reilly, Ottawa, Ont.; Secretary, R. A. Rigg, Ottawa, Ont., and three additional members, one to be named by each of the folowing to attend executive meetings; Trades and Labour Congress of Canada, the Canadian Manufacturers' Association, and the Canadian Council of Agriculture.

(b) All members except E. Blake Robertson attended the general meeting. J. Clark Reilly did not attend the second executive meeting.

3. The expenses of the members were paid (a) by the provinces on behalf of their nominees (the amount later being submitted to the Department of Labour for payment of the department's contribution to the provinces under the Employment Offices' Co-ordination Act), and (b) by the Department of Labour on behalf of the remaining members.

4. The Department of Labour paid $969.45 for other than the provincial nominees and a portion (approximately one-third) of $825.83 on account of provincial representatives.

ORDNANCE LAND, SHELBURNE—TIMBER SALE

Mr. ERNST:

11. When this timber was offered for sale in the year 1926, how many tenders were submitted?

12. Who were the parties that tendered?

13. What price was offered in each case?

14. Why was the timber not disposed of at this time?

15. Is the barracks property leased to the town of Shelburne?

16. If so, to what extent?

17. Were there former leases of this property to the town of Shelburne?

18. If so, what area did they embrace?

19. Does the present lease to the town of Shelburne, if any, embrace a smaller or larger area?

20. If any change was made, what was the reason for the change?

Mr. STEWART (Edmonton): May I be permitted a further answer to the question of the hon. member for Queens-Lunenburg (Mr. Ernst) asked on Monday, February 18?

11. Timber not offered for sale in 1926. Tenders called for in January, 1927. Three tenders submitted.

12 and 13. Henry Davis, Shelburne, N.S., $500; S. A. Muir, Shelburne, N.S., $650; The Shelburne Wood Workers Ltd., Shelburne, N.S., $900.

14. The highest tender was not equal to the upset price placed on the timber.

15. A portion of the barracks property is leased to the town of Shelburne.

16. The area requested by the town for picnic grounds, etc., contained 19.9 acres.

17. Yes.

18. About 200 acres.

19. A smaller area.

20. The town had difficulty in protecting the timber in the whole area and required only about twenty acres for picnic and park purposes. The lease for the whole area was cancelled and a lease for as much as the town asked for was given them.

UNOPPOSED MOTIONS FOR PAPERS

OLD AGE PENSIONS

Mr. CHURCH:

For a copy of all correspondence, orders in council, agreements, and other documents exchanged between the government of Canada or any member thereof, and the government of the Province of Ontario, or any member thereof, relating to old age pensions for the said province of Ontario, and showing the terms and conditions of federal aid in this matter.

PINE FALLS LEASE

Mr. HEAPS:

For a copy of all letters, correspondence, and other documents in the possession of the government, pertaining to the lease of Pine falls to the Manitoba Paper Company.

BAILEY'S BROOK PIER—PICTOU WHARVES

Mr. THOMAS CANTLEY (Pictou) moved:

For a copy of all correspondence exchanged between the minister of public works, the deputy minister, or any officer or clerk of the department, and any person or persons in the county of Pictou, referring to or in any way dealing with the subject of repairs or renewals of the repairs to or the extension of the pier at Bailey's Brook and repairs to railway wharves, Pictou; also for a copy of all payrolls and accounts in connection with both of above works;

2. For a return showing the names of the several foremen and all persons employed thereon, the number of days of employment, the rate of pay and the total amount paid each;

3. For a return showing materials used in such repairs or renewals, particularly the kinds and quantities of timber, lumber, iron and steel, and fastenings, and the prices paid therefor;

4. For a return showing other materials, their quantities and the prices paid therefor, the total cost of same in each case and the names of the parties from whom purchased and the amounts paid to each;

5. For a statement showing the date when the work on each of these repair operations begun, when operations ceased, whether repairs are completed in each case, and if not, what proportion of the work has been done, when the work will be resumed and when completed.

Hon. J. A. ROBB (Minister of Finance): I do not rise to offer any objection to the motion, but simply to point out that when the estimates were being prepared we discovered some increases in the different departments, and upon inquiry we were advised by the deputies that the increases were due to the very greatly increased work that had fallen on the departments in preparing returns asked for by this parliament. I submit that a motion such as this will add materially to the expenses for the coming year, and next year possibly we may be asked for further increases to pay for additional help required in preparing these returns for parliament.

Mr. CANTLEY: The minister is getting very economical all at once.

Motion agreed to.

IMPERIAL CABLE MERGER

Mr. A. A. HEAPS (North Winnipeg) moved:

For a copy of all letters, cables, correspondence and other documents or agreements, entered into by the Canadian government in connection with the imperial cable merger of 1928.

Hon. P. J. VENIOT (Postmaster General): Before this motion is carried, I should like to draw to the attention of the hon. member the fact that we have certain correspondence of a private nature between the contracting parties, the different governments of England, Australia, New Zealand and Canada, and that until we receive permission to place that correspondence on the table, we cannot do so. I might further add that the merger includes not only the Pacific cable but other cables over which Canada has no control. I would ask the hon. gentleman if he would allow the matter to stand, and perhaps before the end of the session we may be able to obtain the information that he is now seeking and place it before the house.

Mr. HEAPS: This question has been thoroughly discussed in other parliaments in different parts of the empire, and there is no reason why the house should not have an opportunity for discussing it after we have been able to go through the papers which may be in the possession of the government. I have an idea that the papers which the minister may want to hold back, have been produced in some other parts of the empire.

Mr. VENIOT: That may be quite true, but there is no evidence to show that any part of this confidential correspondence has been submitted to the British parliament. If that has been done, permission from the other governments has most likely been received. We have not had time since this motion was placed on the order paper to obtain permission. I have no hesitation in having the matter discussed, but I do hesitate to produce documents of a confidential nature before getting permission to produce them.

Mr. HEAPS: I have no objection to the statement of the Postmaster General (Mr. Veniot), except that he states it may take till the end of the session before the papers are produced. Surely it would not take that long.

Mr. VENIOT: I did not say that.

Motion stands.

ST. LAWRENCE WATERWAY

DEVELOPMENT OF WATER-POWER AND IMPROVEMENT OF NAVIGATION

The house resumed, from February 21, consideration of the proposed motion of Mr Church:

That, in the opinion of this house, immediate action should be taken, without further and unnecessary delays, to enter into a treaty with the government of the United States for the immediate development and generation of water-power on the St. Lawrence river and its deepening and development in the interests of navigation, and that a great St. Lawrence waterway is an immediate and economic necessity for the welfare and best interests of Canada.

And that this house is further of the opinion that the government should undertake the construction and operation of this canal as a public undertaking itself and the power incident herein should be developed and generated at cost by the government for the people under public ownership and not alienated to private interests for gain or exported for use outside Canada.

He said: This particular resolution calls for a national federal policy regarding the St. Lawrence waterway, a policy such as was given to Ontario in light and power in this matter by Sir James Whitney and Sir Adam Beck.

There would have been no hydro-electric movement in Ontario had it not been for the Conservative party. It was this policy of Whitney and Beck that did so much for the industries of the province of Ontario, and made it the great agricultural province it is to-day, by giving cheap power and light to the farmer, the labourer, and the housewife in the urban centres of population.

The particular St. Lawrence waterway proposition before us has been under discussion and has stood the test of investigation by committees of advisory engineers for ten years. They have made their report, and the Conservative party, if in power, would have no difficulty whatever in solving this problem. There is, I admit, a little division in our own party on this question, between our friends from Quebec and our friends from Ontario, but I predict a solution will be had that under our honoured leader (Mr. Bennett), who has given his life to public service, and has spent his best years in service for others and for the good of the country generally. There is no district in the province of Ontario where the name of Hon. R. B. Bennett is more honoured and stands higher or more respected by everybody and by all classes of citizens than in Toronto.

The Conservative party would have no difficulty in solving this problem were they in office. So far as I am concerned, I make no apology about saying I have always been a Whitney-Beck Conservative. I have stood for the preservation of our water-powers for the people all the time, and I would like to see the Conservative party in this Dominion take up the development of the St. Lawrence waterway and make it a plank in the Conservative party platform. The country owes everything of a constructive nature to the Conservative party. It is the party which the country always sends for when in trouble. The Liberal-Conservative party founded the hydro-electric system in the face of the opposition of the Ross-Hardy government. I warn this government to be very careful in what it does with respect to water-power, because in 1905 the Ross-Hardy government in Ontario was defeated at the polls and driven from office by people of all parties in the province of Ontario because of the iniquitous power deals they had made. To-day in the city of Winnipeg the Bracken government is on its last legs over the question of the Seven Sisters falls. A year ago the Beauharnois boys very nearly got away with the title deeds of power in the St. Lawrence waterway, from this government in power here at Ottawa, and then we would have had, the St. Lawrence

waterway. Last session I asked for papers to be brought down to parliament dealing with the Seven Sisters question, but the Minister of the Interior (Mr. Stewart) asked me to let my motion stand, and the result was that the proper papers have never been brought down at all. I advise the government to go slow in regard to the Beauharnois project. Let them look at Winnipeg and see what is happening there over cheap light and power. The people of Canada are in no mood to put up with this giving away of the title deeds to our natural resources.

The Conservative party was responsible for the construction of the Canadian Pacific railway. It is the party that is responsible for the policy of protection. It has always been a consistent constructive party, and has always been ready to risk unpopularity to stand by its principles. It is the Conservative party that is to-day developing the Pacific coast province, where the Liberal administration was recently defeated at the polls. The Conservative party at present in Ontario has given the province the best administration it has ever had in the various departments since confederation. We now have honesty of administration. The different public departments in the province were never so well run as they are to-day. We have never had such progressive administration in the province in the matter of public health, good roads, education or research. There is only one matter in which I differ from the government of the province, and that is they have given up the policy of Sir Adam Beck, and are failing to generate and distribute the power and have become just a purchaser of power. No public enterprise ever encountered the venom and experienced more unfair and unjust misrepresentation than did the work of the Hydro-Electric Power Commision of Ontario, and now the St. Lawrence waterway has to encounter the same kind of opposition. But the hydro-electric power commission became the chief glory of the Liberal-Conservative party in Ontario, headed by Sir James Whitney and Sir Adam Beck.

The country always sends for the Conservative part in time of national difficulty and when great economic problems have to be solved. If any government ever made a football of a great economic problem it is the present government in its treatment of the St. Lawrence waterway. They talk about a division of opinion in the Conservative party with respect to the proper solution of this question; but that is nothing compared with the lack of harmony among hon. gentlemen opposite in regard to the same question. This government no longer represents the true principles of Liberalism. Sir James Whitney and Sir Adam Beck, when they founded the hydro, had to face all kinds of opposition, abuse and obstruction. They were even called amateur anarchists, and the opponents of the hydro in the press and in the elections did everything to ridicule the Niagara and Chippawa power projects.

Lord Kelvin was called in to advise regarding the possibility of bringing power from DeCew falls to Hamilton, thirty-eight miles. Apparently he could not see very far, for he said that if they put their money in the Welland canal they could dredge the canal and might get it back, but if they put their money in the proposed DeCew falls development they would never get it back. Amid such doubts and fears Sir Adam Beck went ahead and overcame all opposition and, backed up by the hydro Conservatives, he made hydro development in Ontario the sucess it is to-day as a means of cheap light and power. The government and its Beauharnois friends will have the battle of their lives on their hands if they try to alienate the sovereign rights of the province of Ontario in the water-powers of the St. Lawrence and the water-powers of Ontario. These are the property of the people, and they must be developed for the benefit of the people. It was the people's money that demonstrated the worth of water-power development in Ontario, and there can be no greater dereliction of duty on the part of those who are departing from that basic principle under the bogey of a temporary saving by buying power instead of developing it, a saving which in years to come will cost the people of this province tens of millions of dollars. There should have been no departure from that basic policy of Sir Adam Beck.

In the Beauharnois company the people of Canada are threatened by a monopoly more powerful than Canada has ever seen, and should the water-powers of the St. Lawrence be turned over to that company, generations yet unborn will be adversely affected in their economic and industrial development, and in their domestic life. In parting with these water-powers we are in effect placing a huge debt on future generations and mortgaging the profits of their labour.

As the Ontario government has apparently changed its hydro policy, and has revoked Sir Adam Beck's program of developing and generating power, becoming thereby a mere customer or purchaser of power from the electric monopoly in Quebec, the federal government has a great opportunity to come out with a federal hydro policy. And it is not outside the British North America Act for the federal authorities to develop and generate power from

canal works and distribute the current at cost to the provinces. This would make for a greater Canada.

The national advisory committee appointed by the government reported on the St. Lawrence project as follows:

1. That the project is practical, necessary and urgent;
2. There is no fear of United States aggression, or loss of sovereign rights;
3. It involves no further cost to the Dominion government or the taxpayer;
4. That it will be of incalculable benefit in navigation and power;
5. The entire project is an economic desire that should be immediately accomplished.

This report goes on to show the utter economic absurdity of an all-Canadian canal. An all-Canadian canal is not feasible from the standpoint of navigation, power or diversion of water, and the country could not afford it. The sovereignty bogey is raised by the private power interests to enable them to grab the people's heritage. They talk about the American bogey while various Ontario governments have conceded in economic ways to the Americans more territory than did King George III. From the Ottawa river to the Nipigon, in the vast hinterland of new Ontario, the timber, the pulpwood, the mines and the water-powers have been ceded to American promoters for a few paltry dollars.

I believe the time has come when the Conservative party should take up this St. Lawrence waterway question. They should close their ranks and try to solve this vital problem for the benefit of the central provinces of Canada. That used to be the attitude of the Ontario government. I heard Mr. Ferguson on platforms all over Ontario supporting that policy of a greater St. Lawrence waterway. If they have since revoked Sir Adam Beck's program I shall be much surprised, because it will hurt the Conservative party in Ontario which has always been the champion of the great public ownership policy in Ontario under which hydro-electric development has been made such an outstanding success. The Conservatives did it all and deserve the credit. The municipalities of Ontario now have nearly $300,000,000 invested in that development in light, power and transportation. The city of Toronto has an investment of nearly $100,000,000, and it is my duty to protect that investment, and I will continue to protect it. If the Ontario government have become a mere customer of the great electric monopoly in Quebec, then the federal government has a unique opportunity to proclaim a federal hydro policy. As I have already said, such a policy is not outside the British North America Act. What is wanted is a national and federal canal policy, and a national and federal hydro policy, as applied to the St. Lawrence. This would be the salvation of Canada and the making of any party that undertakes it in the open.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the resolution of the hon. member for Toronto Northwest (Mr. Church) might more appropriately be termed a series of resolutions. With the permission of the house I will re-read his motion:

> That, in the opinion of this house, immediate action should be taken, without further and unnecessary delays, to enter into a treaty with the government of the United States for the immediate development and generation of water-power on the St. Lawrence river and its deepening and development in the interests of navigation, and that a great St. Lawrence waterway is an immediate and economic necessity for the welfare and best interests of Canada.
>
> And that this house is further of the opinion that the government should undertake the construction and operation of this canal as a public undertaking itself and the power incident herein should be developed and generated at cost by the government for the people under public ownership and not alienated to private interests for gain or exported for use outside Canada.

The house will observe that the motion asks, first of all, that a treaty be entered into immediately with the United States for the development and generation of water-power on the St. Lawrence. That is the first proposal; it is with respect to water-power. The second is that a treaty be entered into immediately with the United States for the deepening and development of the St. Lawrence river in the interests of navigation. The third proposal is that the house declare that a great St. Lawrence waterway is an immediate and economic necessity for the welfare and best interests of Canada. In the fourth place, the resolution proposes that the government of Canada should undertake the construction and operation of this canal as a public enterprise. The resolution does not say what canal is meant, whether it is some canal, which is to be ancilliary to the St. Lawrence river, or whether it is the channel of the St. Lawrence when deepened. Then there is a fifth proposal, that the power incidental to the canal—that is, either the supplementary canal or the deepened channel of the St. Lawrence—should be developed and generated by the government at cost. There is a sixth proposal, that the power incidental to the canal should be developed under public ownership and not as a private undertaking.

And, finally, there is the recommendation that the power incidental to the canal should not be exported for use outside of Canada.

There are seven different propositions on which the house is called upon to pronounce in a single resolution. I direct the attention of the house to this immediately, because it is important that all parties interested should understand the reason which may govern the house should it decline to accept the resolution in the form in which it has been presented. It is not a single resolution; rather, as I have said, it is a bill of fare, and I am inclined to think contains too many items to admit of proper digestion at a single session of parliament.

I would invite my hon. friend's attention to the step which was taken early last year to refer to the supreme court an important constitutional question relative to the respective rights of the provinces and of the Dominion with respect to power generated in connection with developments by the Dominion for navigation purposes. The hon. member has taken too little account of the answers which have been given by the supreme court to this question. They concern the relative rights of the Dominion and the provinces in relation to proprietary interest in and legislative control over waters with respect to navigation and water-powers made available by or in connection with works for the improvement of navigation.

Take the first recommendation of the resolution—that a treaty be entered into immediately with the United States for the development and generation of water-power on the St. Lawrence river. My hon. friend's remarks directed to the government with respect to water-powers have for the most part been to the effect that this government has no right whatever to deal with the question of water-powers; yet he now suggests, in the first clause of his resolution, that we should enter into a treaty with the United States in connection with the generation of water-power. Were the government to undertake to follow the hon. gentleman, I fancy we would not be able to proceed very far before he himself would be the first to object that we were exceeding our jurisdiction in entering a field of operation which is one with which the provinces are more particularly concerned.

I do not intend to review the various proposals of my hon. friend's resolution but rather to discuss the broad subject of the development of the St. Lawrence, because I take it that this is the theme which it was intended should be discussed upon the introduction of the resolution.

For over one hundred years past the St. Lawrence river has afforded a common highway and transportation outlet to the peoples in the interior of this continent, whether residing in Canada or in the United States. In that period of time the St. Lawrence highway has been the subject of many treaties and conventions and its development has been, as well, a matter of continuous effort and consideration. I have in my hand a report of a special committee of the senate of Canada which was appointed at the last session, to inquire into the development and improvement of the St. Lawrence river. At page 7 of that report there is a chapter entitled, "A Quarter of a Century of International Negotiation". This chapter, which was prepared by Mr. Yates, the Assistant Deputy Minister of the Department of Railways and Canals, sets out the more important stages in the negotiations between Canada and the United States respecting the St. Lawrence river development. In discussing this matter I intend to use the word "negotiations" in the same sense in which it is used in this report of the senate committee. Possibly the words "joint consideration" would be even more appropriate than the word "negotiation", lest by use of the latter term it might be inferred that steps have been taken which are of a binding character with respect to the particular project which is the subject of discussion at the present moment.

Reviewing negotiations which have taken place, it will be found that the most important step was taken twenty years ago when a treaty was entered into with respect to boundary waters. The treaty was made in 1909, and pursuant thereto the International Joint Commission was appointed, to which commission were referred, among other subjects, matters pertaining to the development of the St. Lawrence waterway. In 1919 the International Joint Commission took up more particularly the investigation of the feasibility of improving navigation facilities on the St. Lawrence between Montreal and lake Ontario so as to transform that section into an ocean shipway; its report was made to the governments of the United States and of Canada respectively in December, 1921. In that report the International Joint Commission strongly recommended the undertaking of the deepening of the St. Lawrence as an ocean shipway between Montreal and lake Ontario. The commission, however, advised that before a final decision was made there should be a further examination by a board of engineers with regard to engineering considerations, of which account would have to be taken. On

March 14, 1924, the president of the United States appointed what was known as the St. Lawrence River Commission, of which the Honourable Mr. Hoover, then Secretary of Commerce, now the president-elect of the United States, was made chairman. This commission was asked to consider the whole project in its economic and national aspects and to express an opinion as to whether the project should be undertaken. Shortly after the appointment of this commission by the United States government the government of Canada on May 7 appointed a body with similar functions. It is known as the National Advisory Committee. Of that committee Right Hon. George P. Graham, the then Minister of Railways and Canals, was appointed chairman. By an exchange of notes between the two governments, through the arrangements brought about by these two bodies, a joint engineering board was appointed and instructed to review and extend the engineering plans as recommended by the International Joint Commission in 1921. The joint engineering board, composed of three representatives from the United States and three from Canada, went into matters very carefully and it made an elaborate re-survey of lake and river systems both as to navigation and power, and its report to both governments upon all the engineering aspects was presented on November 16, 1926. For the most part the report is unanimous; it is unanimous in its statement as to the feasibility and advisability of the improvement of the St. Lawrence waterway for navigation and power purposes. With reference to the advisability of the undertaking, if I am not mistaken, it draws attention to the fact that there are considerations of which each of the countries may wish to take account, but as an engineering project it makes it quite clear that the deepening of the St. Lawrence as a ship-way is wholly feasible. There was a difference of opinion between the engineers appointed by the United States government and those appointed by the Canadian government with respect to the best form of development; the United States engineers favoured a single stage development in the international rapids section of the St. Lawrence river, while the Canadian engineers favoured a two-stage development in that section. This report was submitted to the United States St. Lawrence River Commission whose members accepted it and advised the United States government to do likewise. The commission recommended that negotiations should be entered into with the government of Canada in an endeavour to arrive at an agreement as to the development of the waterway. The government of the United States adopted the recommendations of the St. Lawrence River Commission and so advised the Canadian government. In this manner correspondence was opened between Canada and the United States in a series of communications which extended over the period April, 1927, to April, 1928.

The first communication was from the United States and was dated April 13, 1927. It proposed as I have already indicated that negotiations should be entered into to arrive at an agreement with respect to the deepening of the St. Lawrence as an ocean shipway, and Canada was invited to become a party to such an agreement. At the time this communication was received the advisory board in Canada was awaiting appendices to the report of the joint board of engineers which contained alternative plans with respect to the development of the international rapids section, and the board advised the government not to reply finally to the request with respect to an agreement until they had been given an opportunity to consider in its entirety the report of the joint board of engineers. Accordingly on July 12 a communication was sent to the United States government advising that there would be a delay in answering its request but that when we had received further information from our national advisory board we would reply, discussing the whole situation, including the proposal made.

In January, 1928, the national advisory committee made its report to the Dominion government. The committee had received a full report from the joint engineering board, and in its report to the government it set out what in its opinion was the nature of the reply which should be made by Canada to the United States. Subsequently a reply was sent to the United States government very much along the lines indicated by the national advisory committee. That reply pointed out that in addition to the engineering features there were important financial and economic considerations which Canada would require to be taken into account and also that, with regard to one particular phase of the matter, namely, the export of power, it would have to be distinctly understood we could not consider any agreement which would involve the exportation of power from Canada to the United States.

Perhaps in passing I might touch on this point specifically. It is the last one referred to in the resolution of my hon. friend and is one which it might be well to have in mind in connection with any further consideration of the matter. Our government has repeatedly made clear its policy with respect to the exportation of power from Canada to the United States. We have given it as our opinion that power should not be exported. That opinion was endorsed by the national advisory committee with respect to the power which might be generated in connection with the development of the St. Lawrence. Accordingly, in writing the United States with respect to any possible basis of negotiation, our position in this regard was made very clear. The exact statement made by our government will be found in the correspondence which passed between the United States and Canada all of which was tabled in this house on April 17, of last year. In that correspondence will be found a communication dated January 31, 1928, which contains these words:

Reference was made in your note to the early development of hydro-electric power as a factor which must have equal application to and influence upon the Dominion of Canada. The opportunity of developing great quantities of power incidental to navigation is, it is agreed, a special advantage possessed by the St. Lawrence project, and an important consideration in determining its advisability. In this aspect of the project, however, there are again special features in the Canadian situation which it is desirable to make clear. Public opinion in Canada is opposed to the export of hydro-electric power, and is insistent that such power as may be rendered available on the St. Lawrence, whether from the wholly Canadian section, or from the Canadian half of the international section, shall be utilized within the Dominion to stimulate Canadian industry and develop the natural resources. With this view the national advisory committee expresses itself as in complete accord.

When the United States government replied to our communication it was made perfectly clear that from the point of view of the United States, Canada was entirely within her rights in taking such a position, and that no question would be raised on the part of the United States with respect thereto. This recognition of Canada's attitude and right will be found in the communication dated March 12, 1928, and is as follows:

The United States fully recognizes the right of the Dominion of Canada to the ownership and use of the Canadian share of the power which may be developed in the international section of the waterway as well as to all that developed in the national section and it recognizes also that the disposition of the power is purely a domestic question. It recognizes further that this share is an inherent attribute of Canadian sovereignty, irrespective of the agency by which the power may be developed.

Mr. HEAPS: May I ask the date of that communication?

Mr. MACKENZIE KING: That communication was dated March 12, 1928.

Mr. BENNETT: Have any licenses been granted during the last two years for the exportation of power?

Mr. MALCOLM: The principal license covers export of off-peak power granted to the Ontario Hydro Electric Commission.

Mr. MACKENZIE KING: If my hon. friend is referring to the development of Niagara power that settlement has been endorsed by the Ontario government. It was a matter of negotiation between the government of Ontario and this government, as well as the government of the United States.

Mr. BENNETT: The hydro-electric?

Mr. MACKENZIE KING: Yes. That matter will possibly come up when we discuss the approval of a treaty between the United States and Canada with respect to the scenic beauty of Niagara Falls.

What I wish to make clear at the moment is that, with respect to any projected St. Lawrence development, this parliament may take it as definitely settled and understood between the United States and Canada that power generated on the St. Lawrence and belonging to Canada will not be exported to the United States but will be used for the development of our industries and our natural resources.

The national advisory committee, in indicating the points which in its opinion should be mentioned to the United States in reply to its communication, touched, among other things, on the depth to which it would be advisable to deepen the canal. The joint engineering board had suggested a depth of 25 feet, but the advisory board was of the opinion that the canal should be dredged to a depth of 27 feet; that that would be a wise precaution, having regard to possible future development and contingencies. This was embodied in our reply. The attention of the United States government was also drawn to the difference between their engineers and ours with respect to single and double stage development and also to the fact that engineers of the Ontario government had plans which differed in some particulars from the plans prepared by the engineers of the Canadian government and the joint engineering board; it was stated we would naturally be desirous of having the engineers appointed by the federal government to the joint engineering board meet with the engineers of the province of Ontario to discuss the two

Canadian plans—if I may so refer to them—and see if an agreement could not be reached between them with respect thereto.

Mr. BENNETT: The Ontario plans referred only to waters other than international.

Mr. MACKENZIE KING: No, they referred to the international rapids section.

Mr. BENNETT: The Ontario government took the position, as did the Quebec government, as I understand it, that with respect to waters which were not international in character they and they only had the right to construct works that did not in any sense interfere with or impede navigation.

Mr. MACKENZIE KING: I have not here the phraseology used, but I have been corresponding with the Premier of Ontario with respect to the matter, and I have had in mind the rapids section referred to by the joint engineers in their report, and I am sure Mr. Ferguson had the same waters in mind. These waters are part of the international section of the St. Lawrence.

In its communication to the United States government replying to the possibility of our entering into negotiations to arrive at a treaty with respect to the deepening of the St. Lawrence, the Canadian government sought to bring to the attention of the United States government all considerations which were likely to be material factors in arriving at any settlement. These questions were brought up at the outset so that there might be no doubt in the minds of either the Canadian public or the American public as to the basis on which we would be prepared to proceed with negotiations, which basis we regarded as all-important. In this regard mention was made first, of certain financial considerations; secondly, of certain economic considerations; thirdly, of the engineering considerations; and fourthly, a matter to which I have not as yet referred, of the constitutional question between the provinces and the Dominion as to their relative rights in the matter of water powers made available by or in connection with works for the improvement of navigation.

May I pause for a moment to say a word as to the constitutional question. In the fall of 1927 a Dominion-provincial conference was held in this city, at which questions of concern to the provinces and ourselves were freely discussed. At that conference the premiers of Ontario and Quebec brought up the question of power rights as between the Dominion and the provinces where the power was generated as a result of developments for navigation purposes. We were asked if we would refer

that subject to the Supreme Court to get an opinion as to the respective rights of the provinces and the Dominion. We agreed to do so, and on January 18, 1928, the Dominion government presented a series of questions to the Supreme Court with respect to the relative rights, interests, powers and control of the Dominion and the provinces respectively as they pertained to power and navigation. After these questions had been submitted we were asked by the provinces if we would agree to supplement them by other questions which would clarify the position as to the rights of the provinces with respect to power. Complying with that request, the original order in council of January 18 was amended on April 14 to include two additional questions which the provinces wished to have added to the original questions submitted. The Supreme Court had its hearing on these matters in October, and within the month past has given its answers to the questions which were submitted.

Mr. GEARY: Is the right hon. gentleman free to say what action, if any, and what steps, if any, are to be taken with regard to the judgment to which he has just referred, either by way of appeal or resubmission of the questions?

Mr. MACKENZIE KING: I will come to that in a few minutes.

The conference between the provinces and the Dominion having taken place in the month of November and before our reply was sent to the United States, we felt that we should draw the attention of the United States to the fact that these constitutional questions had been raised by the provinces at this conference, and the fact that we were submitting to the Supreme Court, a series of questions, and asking the Supreme Court for answers thereto. What we asked the United States in so many words was whether the United States would be prepared, when it came to negotiating, to accept as a basis of negotiation what we had indicated we would wish to have taken into account with respect to finances; what we had indicated would have to be taken into account with respect to economic conditions; what might have to be taken into account as the result of the answers made by the supreme court to the questions which had been submitted. Finally, we made mention of the Dominion's desire to have a conference with the provinces immediately concerned, namely, Ontario and Quebec, before giving a final answer to the United States in reference to the suggested agreement. In other words,

our communication sent on January 31, 1928, outlined the considerations of which we felt Canada would have to take account, and asked if the procedure outlined would afford "an acceptable basis of negotiation," in which event we would then consult with the provinces, once the supreme court's answers to our questions were given.

The reply, dated March 12, which we received from the United States, was with respect to all these matters broadly in the affirmative. The government of the United States said that while it could not say that it agreed with all that was set out in the report of the advisory committee, nevertheless it felt inclined to regard as an acceptable basis of negotiation a proposal along the general lines indicated, namely, along what had been suggested with respect to a division of costs, what had been referred to as economic considerations of which we would have to take account, and the matter of there being no exportation of hydro-electric power as the result of any agreement that might be entered into, and finally, the understanding that the Dominion should, before seeking any final settlement, have a conference with the provinces immediately concerned. I think that covers fairly accurately most of the essential points. It was suggested that the two countries should proceed with the appointment of commissioners to discuss jointly the problems presented with a view to the formulation of a convention. We replied on April 5, 1928, that Canada recognized that an acceptable basis of negotiation had been found sufficiently definite to enable us to take the next step, namely, that of consultation with the provinces concerned, following which we would be in a position to make an appropriate reply to the United States. The United States on April 7 agreed that our government should take up this matter with the provinces.

With regard to the engineering features the United States government also intimated that it could see no objection to the Dominion engineers conferring with the engineers of the province of Ontario with a view of seeing whether an agreement might not be reached between Ontario and the Dominion as to the best plan of development of the international rapids section. The United States went a step further and indicated that after the province and the Dominion had come to an agreement on engineering features with respect to the Canadian point of view, they would be quite willing to refer the whole engineering aspect of the question back of the joint board of engineers with a view to seeing whether there could not be, as there would necessarily have to be in time, unanimity with respect to the plan of development of the international rapids section.

I hope I have made clear what the difference really is with respect to the development of the international section. The United States engineers preferred a one-stage development; they preferred that because they believed it would be less costly; that more power could be developed at a less cost, and that it would obviate the necessity of the construction of one lock. The Canadian engineers preferred a two-stage development, believing that it would avoid the necessity of constructing the large embankments or levees necessitated by the single-stage plan, which the Canadian engineers thought would be viewed with some concern by communities in the immediate vicinity. It was also felt by the Canadian engineers that a two-stage development would permit of the power being developed and marketed by degrees; that the power from the first stage would be available before the second stage was commenced, and that by the time the second stage was completed, the country would be in a position to absorb the further power.

Mr. McGIBBON: Can the Prime Minister tell us the difference in the cost of the two projects?

Mr. MACKENZIE KING: I am sorry I have not the figures showing the difference in cost. The report contains them. The Canadian project is somewhat more expensive, but how much more expensive I cannot say. The United States government suggested in the communication to which I have just referred, that it might be unnecessary to wait until the engineers had completed their further consideration of the projects, before appointing commissioners to draft the convention that might serve as a means of bringing about an agreement. It was suggested that possibly commissioners might be appointed and the work of arranging an agreement proceeded with while the engineers were doing their technical work; that they would be called upon to advise any commission that might be appointed and that the two could proceed concurrently. At this point in April of last year the correspondence between the Dominion and the United States concluded.

From April up to the present time there has been no further correspondence for the reason that we have been awaiting the answers by the supreme court to the questions which were submitted to it. The answers were given at the beginning of this month. Hon. members must already be familiar, if not with the text, at least with the general nature of them. We had hoped we might find in the answers which

the supreme court would give to the questions submitted to it, a solution to the very intricate and involved question of the relative rights of the provinces and the Dominion with respect to power. But while the answers which have been given by the supreme court have clarified certain points, they certainly do not help very much in making clear many of the questions that are of importance with respect to the relative rights of the provinces and the Dominion in the matter of power. The court did not find itself able to give a very definite answer to several of the more important questions submitted. It will apparently be difficult to secure from the courts by submission of questions of general scope any definite or precise finding. In so many words, the judges of the supreme court say—and their opinion is unanimous—that it is impossible, from a series of abstract questions, to give concrete answers which will meet all situations which may arise; that the only way in which, so far as the courts are concerned, definite answers may be expected with regard to this involved question, is to have each case submitted and decided on its merits.

This much is clear, and here I come to answer my hon. friend who interrupted me a moment ago. From the opinion of the supreme court it would seem that we might wait from now to the day of judgment, if I may use that expression, to get from any court an opinion conclusive enough to settle as between the Dominion and the provinces all of the questions with respect to their relative rights in the matter of power. So far as we can be guided by the opinion of the supreme court, it would appear that if an appeal from the answers which they have given were taken to the privy council, we could expect nothing more from the privy council in the way of definiteness than what we have already obtained from the supreme court. In the circumstances, having sought in the first instance a solution of the constitutional question by an appeal to the courts, and having received the replies which we have received, the government is of opinion that it is in the interests of all concerned, of the provinces and of the Dominion in their relations to each other, as well as of the Dominion in its relation to the United States in dealing with this question of international waterways, that we should not seek for the present at least to settle this matter by any further reference to the courts, but that we should endeavour to seek a solution by direct conference between the provinces immediately concerned and ourselves. Accordingly the government has decided, as we advised the United States government we would decide when we received the replies from the supreme court, to ask the governments of Ontario and Quebec to meet us in conference, to see if it is not possible to arrive by agreement between us at some settlement which will secure the provinces in their full rights with respect to power, and secure the Dominion with respect to all national interests involved. We are at the present time sending communications to the Premier of Ontario and to the Premier of Quebec asking that, as soon after this session of parliament is over as may be convenient to them, they meet us in conference, that we may see as a result of direct conference whether it is not possible for us to come to an agreement which, as I have said, will permit without further question the development of the power in which the provinces are interested, and which will secure the Dominion in all its rights in respect to navigation and power, and which will enable the St. Lawrence development to go forward on such lines as may be agreed upon between the provinces and ourselves; in other words, to see if it is not possible to work out a plan of St. Lawrence development which will safeguard any interests of the provinces in the development of power as well as the national interests.

That is the present position, and I submit that it would not have been possible for the government to have proceeded in this matter more rapidly or more effectively in any other way than by the method I have described. Had we met the provinces without referring the constitutional question in the first instance to the supreme court, we would have been in the dark as to what in the event of a submission we might expect. We know now the point at which we are likely to arrive as the result of submission to the court of questions with respect to constitutional rights in the matter of power. But we see no reason why, speaking for the federal government, it should not now be possible for the Premier of Ontario and the Premier of Quebec, with a group of their colleagues, to meet with members of the federal government and, actuated by a desire to remove those differences and uncertainties which make for friction and create doubt as between the provinces and the Dominion, to work out some sort of settlement which will be satisfactory to all concerned. In other words, we are following in regard to Ontario and Quebec the method which we have followed in our dealings with the other provinces of Canada. We have attempted, for instance, to deal with the problems which were uppermost in the minds of our friends in the maritimes by going carefully by direct negotiation into the questions which are of greatest concern to them. We

are taking up by direct negotiation with members of the western governments the questions of the transfer of the natural resources which are the outstanding and immediate questions so far as they are concerned. So far as the two old provinces of Ontario and Quebec are concerned the question of power development, and the question of the development of the St. Lawrence channel as an ocean shipway, are the matters which are of prime importance, and it is our hope, indeed, it is our expectation, that meeting together with a sincere desire to work out a solution of these problems, we shall be able to find a satisfactory solution.

I say that with the more confidence because of experiences that we have already had. I referred a moment ago to the dominion-provincial conference held in 1927, at which conference there were a number of very intricate problems. With respect to many of those problems we were able by conference to find a solution to the satisfaction of the governments concerned. With respect to this very matter of power and navigation rights, we were able to make some progress in one important particular. Since the conference was held there has been an agreement with the province of Ontario with regard to the preservation of the scenic beauty of Niagara falls. That agreement involved, in a small way to be sure, but, nevertheless, involved practically all the considerations that are likely to come up in this larger issue. We were dealing there with international waterways; we were dealing there with power rights; we were dealing there as well with questions that had to be made the subject of agreement with our neighbours across the line, questions which in the long run could be dealt with only by treaty; but we were able by our engineers working in conjunction with the hydro-electric engineers, through goodwill, to find a solution which was satisfactory to Ontario, satisfactory to the Dominion, and satisfactory to the United States, and a solution which I believe will be found satisfactory to this House of Commons when the treaty will be submitted for approval, as I hope it may be to-morrow.

But there is another reason why we feel encouraged in regard to the matter, and it is this: Some time ago we drew the attention of the Premier of Ontario to the fact that the hydro-electric engineers had prepared plans with respect to a two-stage development of the international rapids section of the St. Lawrence different from those of the Dominion engineers, and that as we were negotiating or expecting to negotiate with the United States in regard to the St. Lawrence waterway development, we felt if any headway were to be made in this matter it was important that there should be complete cooperation between the provincial government of Ontario and the Dominion government. I am happy to say that as recently as Saturday last I received from Premier Ferguson a communication in which Mr. Ferguson expresses regret, for reasons which from his letter are obvious, at not having been able to reply sooner to the communication which had been sent to him, and saying that he would be pleased to appoint two engineers, and naming on behalf of the Ontario government two engineers, to meet with the engineers of the Dominion government. This is a first essential step in settling this phase of the matter as between the Dominion and the province of Ontario. So I say that, to say the least, the signs are propitious.

In addition to that, other matters have progressed which up to the present time have tended somewhat to complicate the situation. One of the most troublesome questions with which the Canadian government was confronted each time a discussion took place on the St. Lawrence waterway was the diversion at Chicago of large quantities of water from the great lakes through the Chicago Sanitary District canal. Well, this much can be said with regard to the Chicago diversion, that more progress has been made in the last four or five years towards getting that matter satisfactorily settled than had been made in all the previous period of the diversion. The Secretary of State for War of the United States, in giving his permit to the Chicago Sanitary District in 1925 to divert a certain quantity of water, did so on the condition that that diversion must gradually be lessened. It provided for a steady reduction of the diversion and for the construction of sewage works and for metering the domestic supply as means of reducing the volume of water withdrawn. The joint board of engineers have definitely ascertained and set forth the effect of the diversion on the levels of the great lakes. That point is now beyond controversy. As a result of the verdict of the United States Supreme Court recently given in the case of the Lake States versus The State of Illinois it has been made clear that the diversion for sewerage purposes does not rest on any legal basis, and it is provided that the Hon. Charles Evans Hughes, as master, is to report on a procedure to be followed which, while according the sanitary district a reasonably practicable time to pro-

vide other means of disposing of the sewage, will ensure the speedy and continuous reduction of the diversion. Therefore with respect to the Chicago diversion and to the position at Niagara, within the recent past, the situation has materially bettered.

As indicated, we have been seeking to co-operate with Ontario in its power problems, and we have been doing the same with respect to Quebec. The province of Quebec, like the province of Ontario, is interested in power development. The province has certain rights with respect to power developments; we have certain rights with respect to the protection of navigation. In any negotiations with the province of Quebec, and with respect to the approval of any plans which may be submitted by any company holding a charter from that province, we shall take and are taking great care to see that nothing shall be granted to a company or to the province which in any way will impede or interfere with the St. Lawrence development project, or the full rights of the Dominion in navigation on the St. Lawrence. Viewing the matter broadly, therefore, it would appear as though it required only the good will of all parties interested to work out some agreement as between the provinces and the Dominion which would settle this vexed constitutional problem in a manner satisfactory to all concerned, and which in addition would enable the provinces and ourselves to take a course which in their interest and the interest of Canada as a whole would be considered most advantageous in negotiating with the United States with respect to further development of the St. Lawrence shipway.

Now, Mr. Speaker, may I say a word or two with reference to the security of this Dominion in any negotiations with the United States relative to the deepening of the St. Lawrence. Mr. Ferguson, in answer to one or two questions which have been put to him recently, has made a very obvious reply, namely, that for his part he will not, in dealings with the United States, countenance anything which will affect the sovereign rights of Canada, that he will not in the slightest particular part with any sovereign right which the Dominion has, nor will he permit that right to be threatened or impaired in the least. That sentiment will, I believe, be echoed by every individual in this Dominion —certainly in this parliament. I cannot think of an hon. member who would for one moment contemplate any kind of an agreement with the United States which would impair in the least the sovereignty of this country with respect to any rights which it now has. And may I say further, I do not believe the United States would think of negotiating with Canada on a basis which involved or contemplated anything of that character. However, let me make it perfectly clear that with respect to the St. Lawrence development, whatever steps are taken hon. members may rest assured, and the country may rest assured, that in no particular will any of the sovereign rights of this Dominion with respect to power or navigation be impaired in the least, or even be made subject to the possibility of impairment.

Mr. CAHAN: Does the right hon. gentleman say the same with respect to the rights of the provinces?

Mr. MACKENZIE KING: I would certainly say the same with respect to the rights of the provinces. There is a good deal of what I think might be termed loose talking with respect to some phases of the St. Lawrence development. Why it is indulged in, I am at a loss to understand. I think we would be wise to get at the truth and stick to the truth in public discussion and in the discussion of international questions above all others. For example we hear it sometimes said that under no circumstances should there be permitted an international waterway which will not be an all-Canadian waterway, that so far as the St. Lawrence and great lakes are concerned there must be an all Canadian water route and that on no account is there to be any going backwards and forwards as between the United States and Canada. Now, those who speak in that way cannot have the least knowledge—or if they have they are not applying it—as to what is existing at this moment and has existed for years past, and as to what the engineers who have appeared before committees of parliament, and in particular the committee of the Senate to which I have referred, have made very plain, namely, that at the present time the utilized channel through the great lakes and the St. Lawrence is not a channel which is all within the waters of Canada or all within the waters of the United States, but is a channel which part of the way is in American waters and part of the way in Canadian. That is the position now, and in all the development of the St. Lawrence and the Great lakes that has thus far taken place, that fact has been recognized. The United States has taken care of some parts of the channel, Canada has taken care of other parts. Both countries, according to the treaty signed in 1909, have equal navigation rights in the Great lakes and the international section of the St. Lawrence. So when there

is a discussion about having an all-Canadian route, let us understand exactly what that means. It does not mean the construction today of some small portion of a water route in one province or in another, but it means changing existing routes to an extent that, engineers tell us, will involve—I do not know the figures, but the expenditure will run into many millions of dollars.

Mr. DUNNING: Hundreds of millions of dollars.

Mr. MACKENZIE KING: That proposal can only be put forward for the purpose in some way or another of confusing the public mind with respect to this great and important project.

In conclusion let me say a further word as to the security of this country in all negotiations with our neighbour to the south, with respect to international waterways or any other negotiations that may need consideration. The St. Lawrence waterway and the great lakes are in considerable part international waters. A broad division can be made. There is a portion of the St. Lawrence which is wholly within Canada, there remains the balance of the St. Lawrence which is in the nature of an international waterway as are the great lakes up to Sault Ste. Marie and beyond. With respect to the international section, the nation's rights are already secured by treaty, and those treaty rights, both as regards Canada and the United States, are supreme over anything that can be done by the government of either country. The treaty lays down very clearly that any works materially affecting the level of these boundary waters must be approved either by special agreement between Canada and the United States or by the International Joint Commission. That is under the boundary water treaty of 1909, and it applies to what may be done by the governor in council or what may be done by act of parliament; because a treaty overrides both and is supreme.

Mr. BENNETT: But there is a treaty, prior to that in point of time, on which our rights are based. So I apprehend.

Mr. MACKENZIE KING: As I have said, there is a series of treaties; I made that clear at the outset. As regards my hon. friend's remark, I repeat: Every right secured by any treaty will be maintained in any negotiations. Treaty rights are supreme in every respect. But what I am seeking to make clear at the moment is this. The sense of security which this parliament has a right to feel with respect to whatever may be done on the St. Lawrence, whether in the international section or in the national—and I am dealing for the moment with the international—is wholly ample. Our rights in the international section are secured by treaty.

Let us come to the national section. And may I pause here to say a word as to the bill which was introduced by the same hon. member who has moved this resolution—the bill providing for some enlargement of the Navigable Waters Protection Act. It is very seldom that on a question of this kind particularly where there has been much in the way of general discussion, the hon. member when he concludes is not followed by some other hon. gentleman in the house. The government had expected, seeing that the subject with which his bill dealt was one that had been considerably discussed in the public prints and elsewhere, that a good deal would be said by hon. members opposite with respect to various phases of the matter.

Mr. BENNETT: Why not on the government side?

Mr. MACKENZIE KING: The government intended to make its position quite clear. But I confess that we were taken very much by surprise when no one followed the hon. gentleman, and therefore no reply was made immediately. A complete reply could have been made in ten minutes and would have avoided the division we had on that occasion. That reply would have been in effect very much the statement which I am now making. Apart from the fact—and I do not think my hon. friend relished it either—that in voting for the hon. member's bill he was endorsing retroactive legislation, which I do not believe he likes, every hon. member who supported that bill was endorsing legislation which was unwise in other respects. They were voting in support of a measure which was in no sense necessary to attain the object at which it was assumed to be aimed, and which had it carried would have rendered many necessary developments impossible.

As I have said, in regard to the international section of the St. Lawrence, parliament's security is obtained through the treaty. With regard to the national section, assuming that as a result of anything done in that section the waters which are a part of the international section are raised, such action becomes the subject of review on the part of the International Joint Commission in precisely the same way as if the particular action were being taken in the international section.

Further with respect to the portion of the St. Lawrence which is wholly within Canada, and indeed in respect to all navigable waters, this

parliament is already secured in its powers of supervision under the Navigable Waters Protection Act, which gives to parliament the right not merely to review but to annul whatever may be done by the governor in council should it be shown that in any particular the action taken is unwise. Let me give to the house the sections of the Navigable Waters Protection Act bearing upon this question. Section 4 reads:

> No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

Section 10 provides:

> The governor in council may make such orders or regulations as he deems expedient for navigation purposes respecting any work to which this part applies or of which the plan and site are approved under any act of the parliament of Canada.
>
> 2. The local authority, company or person constructing, owning or in possession of any work shall be subject to such orders or regulations.

I come now to section 12, which is the important provision. This is the section which I wish hon. members to note particularly:

> Parliament may, at any time, annul or vary any order of the governor in council made under this part.

Mr. ADSHEAD: Parliament?

Mr. MACKENZIE KING: Yes, parliament. Subsection 2 goes on:

> Any action of parliament in that behalf shall not be deemed an infringement of the rights of the local authority, company or person concerned.

Where then is the need for adding anything further to this particular act? My hon. friend the member for North Winnipeg (Mr. Heaps) asked me the other day as to whether parliament would have the right to review certain matters which might be in contemplation. He has no need for concern as to the powers of parliament with respect to the possible acts of the government he had in mind whether they were of to-day or of six months ago or are still of the future; because parliament, with respect to the protection of navigable matters under the act as it stands, has the power not only to review but to annul whatever may be done by the governor in council. Words cannot be stronger.

Mr. GARLAND (Bow River): The right hon. gentleman realizes that he is opening up debate on a question already disposed of by the house., and this may involve the house in a rather protracted discussion.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I am merely seeking to make plain the points that bear particularly upon the St. Lawrence water development. I am not dealing with the other question; to that I have referred only incidentally. But this is very material to the question of the St. Lawrence development with respect to the rights of this parliament touching any act of the government, by order in council or otherwise.

Mr. GARLAND (Bow River): Would it not be better sometimes not to pass an order in council than to have to annul it afterwards?

Mr. MACKENZIE KING: My hon. friend has asked a reasonable question, and I am glad that he has done so. There are some matters which are administrative in character and others which are legislative; there are some questions which are technical and which can be dealt with only by experts, and other questions which are suitable for discussion in a deliberative assembly. When one comes to such questions as sites for water-power, the volume or rapidity of water passing over a particular point, the question of the effect of obstructions upon the levels of waters, the effect of the ice flow in certain localities, all of which are important questions when we are dealing with navigation, these questions can be settled and settled only by expert engineers; they cannot be settled in a deliberative assembly. Most questions that relate to public works are of that character; they are questions for the experts of the government departments; and parliament in its wisdom has made clear that it is not advisable to prevent development by requiring in the first instance that parliament itself shall perform functions or duties which it is not at all fitted to perform. That is the reason this section is worded in the way it is. In other words, so far as provincial rights may be concerned, what is sought by the Navigable Waters Protection Act is to allow, the full development which provinces may seek with respect to power but where navigation is likely to be affected to assure at the same time that the general interest will be wholly and adequately secured.

May I add just one word. The section which I have read makes it quite clear that parliament has the power at any time to annul any act of the government which may be contrary to the public interest where we are dealing with works which may affect navigable waters, but in regard to negotiations such as those affecting the St. Lawrence development parliament has a further security. Under our general policy we have laid it down that before a treaty is finally ratified it shall

be brought to this parliament for approval, and I wish to repeat now the assurance given parliament not once but on different occasions that if at any time, while this administration is in office, a treaty is arrived at between the United States and Canada with respect to the development of the St. Lawrence waterway, that treaty will be brought to this parliament and not ratified until parliament has approved of it.

Mr. HEAPS: Why could not the same principle apply to any scheme entered into with regard to the development of the St. Lawrence river?

Mr. MACKENZIE KING: I have already distinguished between that part of the St. Lawrence which is in the international section and the part which is in the national section. Parliament's ultimate control of both sections is secured under the Navigable Waters Protection Act, while additional security with respect to the international section is afforded by bringing a treaty to parliament for its approval.

Mr. HEAPS: I am speaking only of the principle of having parliament ratify something before it is ratified by the cabinet.

Mr. MACKENZIE KING: There again, as I tried to explain to my hon. friend from Bow River, there are technical features which can be worked out only by engineers. In negotiating an agreement with respect to water-power, water rights and navigation, where the considerations are so largely technical in their nature, parliament is scarcely in a position to discuss such matters in detail; it is for experts to work out these matters.

Mr. GARLAND (Bow River): But I am afraid my right hon. friend is on the horns of a dilemma in this case. If because of a lack of technical knowledge parliament is incapable of arriving at an intelligent decision in the first place, lacking that technical knowledge how is parliament to arrive at an intelligent decision with regard to the annulment of an order in council later?

Mr. MACKENZIE KING: As my hon. friend knows, you can present a final plan to parliament, you can have a committee before which you can bring your experts fully to explain a matter, but you do not begin a project of development in that way. You could not construct a street railway in that manner. You must have your plans and your agreement practically consummated before they can be properly discussed in an assembly such as this.

Mr. GARLAND (Bow River): But the right hon. gentleman is aware that that is how we have worked in several cases. For example, when we considered the question of harnessing the tides of the bay of Fundy, we had a committee go into the whole matter and consider all the details. Why not do the same in this case?

Mr. MACKENZIE KING: I do not think those tides have been harnessed yet.

Mr. GARLAND (Bow River): No, but we have passed upon the plans.

Mr. MACKENZIE KING: I do not think any plans or details were submitted. However, I wish to make clear the government's point of view, that so far as the St. Lawrence project is concerned, whether it refers to our relations with the provinces or our relations with the United States, this government intends to see that the rights of Canada are fully protected.

Having said that much, Mr. Speaker, may I conclude by reminding the house that in some respects the present moment is perhaps a critical one at which to discuss an international matter which affects our relations with our neighbours to the south. I do not wish to discourage discussion in any way; in fact I welcome all that may be said, but in debating this matter I hope hon. gentlemen will bear in mind the fact that whatever is said in this parliament at this time may have a very far-reaching effect upon some decisions which may be reached in the very near future with regard to matters which are of real concern to both countries. With that one word, which I think it well to say at this time, I will conclude my remarks.

Mr. CLARK: What is critical in the situation with regard to the United States at this time?

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I only wish to observe that it is somewhat strange that a matter of such transcendent importance to the people of Canada should be now discussed by the Prime Minister on the resolution of a private member. The policy of the administration with respect to a matter of such far-reaching importance should have been stated on an occasion when there would be ample opportunity for debate altogether apart from the resolution moved by a private member which only expresses his opinion with respect to the subject matter of the discussion

We advised the government last year not only in this but in a similar matter as well that any reference to the Supreme Court of

Canada with respect to any matter in the form of questions amounted to nothing more than obtaining the opinion of the law officers of the crown. The Privy Council has so stated, and in a judgment of Right Hon. Mr. Justice Duff, speaking for the Supreme Court, he indicated that their decision was based on that view. It must be remembered also, as Lord Loreburn observed, that the legislative always controls the executive branch of government, and I take it that the right hon. gentleman, in seeking a reason for the attitude of the house the other evening, will find it in that sentence, "The legislative always controls the executive branch of government." This house has lost confidence in the way its executive has dealt with the water powers of the St. Lawrence river. We know from the public press, from the discussions of gentlemen who support the government and from the different opinions expressed privately, not to me but to others, by members of the government itself, that this house has good reason to express its loss of confidence in the way the government, as a government, is dealing with the problems connected with the St. Lawrence waterways. That is the real reason why this house voted the other evening as it did, because the members realized that in the exercise of that second branch of the executive's power, namely the legislative branch, they were exercising that power in a manner inimicable to the public interest of Canada, or at least in a manner that threatened to be so.

When the right hon. Prime Minister refers to the question of retroactive legislation he realizes that it was retroactive to the first day of this year, 1929, a not unusual thing with respect to legislation similar in character to that particular legislation, because it was felt that if matters of such transcendent importance as the utilization of the St. Lawrence river for a ship-way, with the incidental development of power, were to be considered as they should be considered, then it would be better to present them for the approval of parliament rather than have the government commit this country to a certain line of action and then later say we may annul it. I wonder which is the worse retroactive legislation, which would permit a private company after expending say $25,000,000, have its rights cancelled and the payment of damages demanded. Is that what the Prime Minister means when he refers to the Navigable Waters Protection Act and says there is power contained therein to annul an order in council after it has been enacted, after rights have been acquired under it, vast expenditures made, and securities issued under it, held in every part of the world? Does he say then that this parliament can annul it? Could anything be more ridiculous than an observation of that character? Could anything be more in keeping with the idea that is at the basis of our institutions, namely, that nothing of that sort can be done unless compensation is paid?

Mr. MACKENZIE KING: I think my hon. friend knows the section of the act which intimates that damages cannot be claimed.

Mr. BENNETT: I am coming to that. What the right hon. gentleman is endeavouring to do is to make it impossible for anyone to finance any undertaking based upon approval being given by this government, if it is covered by the Navigable Waters Protection Act. What will the life insurance companies, who are told these securities are trustee securities, say when they are told that this parliament has the right to annul under this act, the order in council under which an undertaking is commenced and render the securities valueless without compensation?

Mr. DUNNING: They have been doing it for years.

Mr. BENNETT: Annulling them?

Mr. DUNNING: Selling the securities.

Mr. MACKENZIE KING: It has been the law for years.

Mr. BENNETT: For the simple and obvious reason that never in the history of our parliament has any such matter been submitted to parliament. It has been suggested by the Prime Minister that there is power under the act to destroy that which the executive has done. This involves consequences most far-reaching, but I am content to leave it at that for it is not a matter of importance at the moment. I will only say that the Prime Minister of Canada has suggested that when his executive gives approval with respect to any given undertaking that may interfere with navigation or otherwise, or where powers are called into operation, by reason of the provision of the Navigable Waters Protection Act this parliament may annul it and destroy it without compensation being paid the security holders.

Mr. MACKENZIE KING: It is not my suggestion, it is a statement of law.

Mr. BENNETT: But it is suggested in order that hon. gentlemen who have raised certain questions may ease their consciences by saying that this parliament can do something which this parliament has never been asked to do, and which I cannot think this

parliament would ever consider doing, for the simple and obvious reason that it is provided in the constitution that there can be no exercise of any such power. This country cannot now undo that which has been lawfully done. Daniel O'Connell once said, "Parliament is omnipotent." Parliament might have the power to annul an order in council, but the exercise of that power would absolutely destroy the credit of Canada.

I wonder if the right hon. gentleman recalls the difference between what was sought to be done in the power case and what was done by his illustrious predecessor? Certain railway interests made an agreement with Sir Wilfrid Laurier's government, whereby the government parted with the gold-bearing lands of the Yukon subject to the approval of parliament. The House of Commons gave approval to that agreement made by the then Minister of the Interior with the Mackenzie and Mann interests, but the senate threw it out. No man will say that that was not a proper exercise of power at that time, but the problem that confronts this house, to which the right hon. gentleman has referred, whereby this country can no longer safely continue to rely upon the sound exercise of its powers by the executive on its legislative side, is entirely different. It was only a few short years ago that this country resounded with cries uttered by the right hon. gentleman and those who sit beside him, about orders in council and government by orders in council. There was not one part of this country where the supporters of the right hon. gentleman did not go decrying orders in council. The Seven Sisters falls has been parted with by an order in council; there are the St. Lawrence orders in council; and an enormous part of the public domain in Alberta has been parted with for the purpose of grazing lands for a period of twenty-one years under orders in council. These grants were made in areas withdrawn from settlement, but if the government continues to part with these lands the western provinces will find themselves without public domain; the Dominion government will have parted with all the crown lands before they are transferred to the provinces. That is the position.

Mr. STEWART (Edmonton): Will the hon. gentleman name any sections of Alberta that have been granted by lease and that were not formerly under lease?

Mr. BENNETT: I refer to those areas that had lapsed, south of Medicine Hat, in which a gentleman from Windsor has been very active and about which I trust this house will be fully informed at a later date.

Section 12 of chapter 140 of the revised statutes of Canada, 1927, reads as follows:

> Parliament may, at any time, annul or vary any order of the governor in council made under this part.

That is, under the regulations.

Mr. DUNNING: No, no.

Mr. BENNETT: The second part of the section reads:

> Any action of parliament in that behalf shall not be deemed an infringement of the rights of the local authority, company or person concerned.

Mr. DUNNING: Part 1 and part 2 are distinctly set out; one deals with public works and the other with marine and fisheries.

Mr. BENNETT: The section says, "shall not be deemed an infringement of the rights of the local authority, company or person concerned." That is, if the government acts under this section it shall not be deemed an infringement of the rights of the local authority. The right hon. gentleman has read it entirely erroneously.

Mr. DUNNING: Any annulment shall not be an infringement.

Mr. BENNETT: Shall not be deemed to be an infringement; therefore, their vested rights remain.

Mr. CANNON: My hon. friend is arguing for the other side.

Mr. BENNETT: I am presenting both sides, certainly. I will say very frankly to the Solicitor General (Mr. Cannon) that I do not believe the Dominion of Canada ever placed upon the statute books a statute which would enable public works to be destroyed without compensation and thus ruin the credit of Canada. The hon. gentleman has surely followed what was said. I said that if the suggestion made by the right hon. the Prime Minister is sound, and in which the Solicitor General concurred, that this parliament could annul an order in council granting approval to the erection of works in the St. Lawrence, it would destroy the securities if no compensation were paid. I am content to leave it at that. I say that parliament never intended to have placed upon the act the construction which has been placed upon it by the Solicitor General and the Prime Minister.

Mr. CANNON: What about the other argument?

Mr. BENNETT: I say the other argument is a sound argument; parliament never in-

tended to destroy rights created under an authorization that had been given and before such authorization had been annulled.

Mr. CANNON: What is the hon. gentleman's opinion?

Mr. BENNETT: I was presenting the fallacy of its being suggested that this parliament should nullify the consent given by the executive, and I was content with that. However, at the moment I will adopt the language of Mr. Gladstone, which was that he would not prescribe until he was called in. I can only say that if the right hon. gentleman continues the course that has been indicated this afternoon, it will not be long before we are called in.

The question the right hon. gentleman has discussed this afternoon is a question of profound importance to the Canadian people. It is correct to say that for more than a quarter of a century it has engaged their attention. It is also important to point out that under the treaty of 1909, upon which such stress was laid, we have the old story of an even numbered tribunal, and all the consequent results that follow from that. I think the right hon. gentleman is right in saying that it is not desirable at this time to discusss this matter at length. I quite agree with him that there are reasons why it might well be discussed on some other occasion, and that is the reason why I had hoped that, rather than on the motion of a private member, the government itself would declare its policy as it has done this afternoon.

The rights with respect to the international section of the St. Lawrence river are determined by a treaty entered into between Her Majesty, Queen Victoria, and the United States of America. Those words we may modify and we may affect by a new treaty. At the moment that new treaty has not been negotiated. The right hon. gentleman in his correspondence has indicated to the United States that we are prepared to enter into a discussion and to negotiate a treaty dealing with power rights and navigation rights on the St. Lawrence river.

Mr. MACKENZIE KING: I do not think I went quite as far as that.

Mr. BENNETT: Well, the correspondence of last year.

Mr. MACKENZIE KING: No, if my hon. friend looks at the correspondence, I think he will see that the government asked the United States whether a certain basis would be acceptable as one for negotiation. The United States has replied that it will be. Since then no further communications have passed, and it was made quite clear that no final answer would be sent until after a conference had been held between the provinces immediately concerned and the Dominion government.

Mr. BENNETT: What I have said is wholly consistent with what the right hon. gentleman observes, except that he has overlooked this, namely, that we stated that we were prepared to enter into discussions with respect to the matter with the United States of America, but that pending the decision of the Supreme Court of Canada, those discussions could not be carried forward. That is the sense of the note which the right hon. gentleman sent to the United States, he made it quite clear—and it is a matter which should be made quite clear—that until there was a final determination either by negotiation and ratification or by judicial interpretation of the rights between the provinces and the Dominion, the Dominion would not enter into a treaty that might thereafter be found, in a concrete case, to use the language of the judgment of the court, to be wholly beyond the jurisdiction of the Dominion. That is the position which the right hon. gentleman's note indicated the executive took. That is a position from which this afternoon he has not departed, but to which he has added this, that now the judgment of the supreme court has been delivered, which judgment indicates that the questions are incapable of being answered, and that, if answered, are no better than the opinion of the law officers of the crown the Solicitor General (Mr. Cannon) being one of them, those answers are no more important than opinions of the Attorney General and Solicitor General of the country. From that we may fairly judge the value that attaches to them, and it is very important that they should be so considered. That being so, the right hon. gentleman now says, and says very properly: I do not propose to appeal to the privy council. The judgment of the supreme court, which is indefinite in some respects and definite in others, is a judgment from which no effort will be made to appeal. That is, no application will be made for leave to appeal to the privy council, and that being so, the judgment may be taken as final and conclusive so far as it is possible for a judgment of the supreme court to be final and conclusive.

Mr. MACKENZIE KING: They are answering questions.

Mr. CANNON: It is not a judgment.

Mr. BENNETT: The word "judgment" is used in our courts with respect to it. It is

nothing more than answers to questions, which answers are made a judgment of the court, based upon the opinion of the judges for giving the answers that are given. In the privy council as in the supreme court, the judgments thus given, the word "judgment" being used in that respect, are published in the law reports of the country. Many of the questions, notably in the companies' reference and the ones with respect to fisheries, were questions in which judgments, so-called, were given by the privy council, and the questions were answered in some instances categorically, and others in the sense that because of their vagueness, they were incapable of being answered. The closing words of Mr. Justice Duff in this case are as follows:

> It is important, also, since the opinions evoked by such questions "are of course", as Lord Loreburn states in the same passage, "only advisory, and will have no more effect than opinions of the law officers", to observe that, when a concrete case is presented for the practical application of the principles discussed, it may be found necessary, under the light derived from a survey of the facts, to modify the statement of such views as are herein expressed.

I regard those last words as being words fraught with many serious consequences to this country. They at least support the position which we suggested to the government the year before last in connection with another matter. In other words, the supreme court says: When a concrete case arises, it may be necessary from a survey of the facts to modify the statement of such views as are herein expressed. Those words are very serious—to modify the views herein expressed. The opinions of the supreme court, therefore, so far as we are concerned, may be taken as having no particular or peculiar value and do not illuminate the dark recesses of our minds with respect to the complex problem with which we have to deal.

I am not going to make complaint of the government's action in this matter except to say that I do not think they did what the provinces suggested might have been done. It will be recalled that counsel for the provinces suggested that counsel for the Dominion along with themselves might attend before the supreme court and have a preliminary discussion looking to the formulation of questions, the answers to which would be illuminating and guiding. Counsel for the Dominion did not attend.

Mr. CANNON: There were no fewer than two conferences.

Mr. BENNETT: I am talking about attending before the court.

Mr. CANNON: How could we hold a conference before the court?

Mr. BENNETT: It was just what was suggested.

Mr. CANNON: The judges of the court said that they had no power to amend the questions.

Mr. BENNETT: Quite so, because they were submitted by the executive. It is perfectly true that conferences took place in the offices of the law officers; but on the suggestion of a discussion in the court rather than a conference, counsel for the Dominion did not attend. At least Mr. Rowell and his associate were not present on that occasion and nothing further was done with regard to it. My only complaint in that regard is, that it would have been much easier to have the provincial viewpoint submitted to the court in the form of satisfactory questions than to have formulated those questions in the final form in which they were and which, in the judgment of counsel for the provinces, did not properly place the matter before the court. That is the position taken, rightly or wrongly, by counsel for the provinces.

As regards the answers to the questions in the form in which they were submitted to and considered by the court, it would not require a highly skilled lawyer to say there was not much doubt the court could not answer categorically the questions submitted to it.

My first complaint is that the provinces and the Dominion are now being asked to get together instead of having been invited to get together in the first place for the purpose of just such a conference as the right hon. gentleman now suggests in order that the questions submitted might meet every viewpoint proposed by the provincial authorities. Had that conference been held in the first place, we could have avoided the language of the jurgment, namely, that the court may modify its present opinion in the light of concrete facts. Those words detract so seriously from the value of the judgment that I consider it is of little value. If the court reserves the right to modify, vary, amend, change or alter its opinion because of further light and knowledge and concrete facts that may arise in any particular instance, the value of answers thus given I consider to be very slight.

The next point to which I desire to direct attention is that it is clear that a treaty can be made only between the Dominion and the United States and not between the provinces and the United States. It is of the utmost importance that whatever is done in any

negotiations that are carried on looking to that end, should, as the Prime Minister has now said, embody as far as possible the views of the provinces when the federal executive is presenting its views to the United States.

Mr. MACKENZIE KING: Just at this stage I should like to make mention of a point my hon. friend began to develop when he was interrupted. As I gather it, the impression in his mind is that before we had intimated to the United States that a conference with the provinces would be necessary at the outset we had indicated to the United States that we were prepared to make an agreement. What I wanted to make clear to my hon. friend was this: Our position with the United States all along has been that we could not even discuss a treaty with them until the provinces had been called into conference with ourselves, but that before we called the provinces into conference with ourselves we wished to find out what would be an acceptable basis of negotiation. We have given no final undertaking to enter into a treaty.

Mr. BENNETT: If for a moment my right hon. friend suggested that I had assumed he made any binding agreement to enter into a treaty, I relieve his mind at once; but I do submit that what he has done by the notes that have passed between his government and the government of the United States was to say that we were prepared to enter into negotiations, but that there were certain preliminary difficulties as between the provinces and the Dominion which we proposed to refer to the courts of the country for determination, and that they must first be disposed of before we would know how far we ourselves could go in making a treaty.

Mr. MACKENZIE KING: Even before the constitutional question came up, we indicated to the United States that we would wish, before entering into a treaty, to have the provinces confer with us.

Mr. BENNETT: The notes themselves give the exact language, but as they are not before me I cannot refer to them. Undoubtedly the Prime Minister indicated in his notes that he proposed that the constitutional position of the Dominion with respect to the provinces should be settled before a treaty was negotiated, but that the Dominion was ready—that was the whole essence of the notes—to enter into discussions looking towards the making of a treaty. I think that is as far as it went. That being so, the question as to the rights of the Dominion and the rights of the provinces became of paramount importance. The provinces claim to own the bed of the streams, and the Dominion claim the right of navigation. To what extent the right to develop power may be a right that belongs to the provinces, in view of their alleged ownership of the water, or to what extent the power may belong to the Dominion, the question also as to the right of the Dominion to claim ownership of the power as being ancillary only to the control of navigation, are questions to which the government sought an answer, and as to which the Prime Minister said his government had not received a final determination. Because of the uncertainty in which the matter is now left, it is my judgment that it would be desirable to have first, action taken by the provinces and the Dominion that will lead to a determination of the rights in question, and, second, ratification by the proper authorities of the relative rights of the provinces and the Dominion. I wholly agree with what has been said by the Prime Minister this afternoon, namely, that before any final determination is taken even to negotiate with respect to matters of this kind, there must be, by agreement, or by judicial determination, an exact delimitation of the powers of the provinces on the one hand, and of the Dominion on the other. That is what I apprehend to be the position, and I think with that every Canadian must be in accord.

But I would remind the right hon. gentleman that it is not quite accurate to say that the provinces of Ontario and Quebec alone are concerned. I think on mature consideration the right hon. gentleman will agree that a matter that affects the national life of the country and involves, it may be, our national honour by treaty obligation, and which must affect, as it does, the western provinces, for if the shipway is to have the value that has been mentioned in times past by successive commissions and advisory councils, then indeed those who live in the western part of Canada, as well as those who reside along the lake front in Ontario and along the river front in Quebec, must be vastly interested and concerned about the ultimate result.

I am not going to do more than say this: The obligation for the formulation of any policy which results in a treaty rests with the government of the day. That is clear. It is not the function or the duty of an opposition to indicate what its views may be with respect to the matter for that responsibility rests with the administration of the day. The Prime Minister has conceded that no acceptance of that responsibility translated into concrete action will be made ef-

fective unless this parliament approves. That is all this parliament might reasonably ask, namely, that before this Dominion is committed by its government to any treaty obligation the people of Canada through their representatives in parliament shall have an opportunity to express their views as to whether the treaty thus made is desirable or not.

With respect to the other matter, the question of the relative rights of the provinces and of the Dominion, it is reasonably clear in the light of the opinion to which I have referred, in its closing words, that unless the provinces have themselves agreed with the Dominion that certain action shall be taken, and indicated the form which that action shall take, then indeed a treaty otherwise negotiated and approved by this parliament would be but an invitation for future difficulties and troubles. How that approval by the provinces is to be taken, whether by resolution of their legislatures or otherwise, is not a matter that for the moment I shall discuss. It will be remembered that in the United States constitutional amendments require the various states to give their approval separately, as well as the congress of the United States. This matter affects not one province or two, but every province of confederation except British Columbia—it does not directly affect the maritime provinces, but in another sense it does, because if the ship-way is of the value that has been indicated in times past, it will enable them to move their products to central Canada by water rather than by rail—with the exception of British Columbia every province is vitally interested, and when the right hon. gentleman made his reference to two provinces, I presume he will modify that view to the extent of saying that all the provinces that might be interested would have the opportunity of expressing their views with respect to any arrangement that might be made.

I hardly think it was necessary to make the closing observations that he did, that any treaty negotiated would protect the interests of this country, and that it was proposed to see that it did so, because no government would endure in Canada, whether a Liberal government, a Conservative government, or some other form of government, that did not protect the interests of the Canadian people. The whole point of difference is whether or not, in the opinion of the majority either of the members of parliament or of the electors, the measures taken are measures that do adequately protect the interests of the people as a whole, and in the end the people determine that question. The government obviously must be assured that the measures they take shall be in the best interests of the Canadian people, unless it be that in this case the right hon. gentleman should suddenly change his mind and find evidence of a "thoroughly vicious principle," and come to the conclusion that the course he now proposes to pursue is one which he will then amend and change, as he saw fit to declare with respect to another matter the other day.

Mr. McMILLAN: I move the adjournment of the debate, Mr. Speaker.

Mr. CHURCH: In view of what the Prime Minister has said, and after having discussed this matter with the leader of the opposition, who I think is quite right when he says that it is the duty of the government of the day to find a solution for this great national and economic problem—

Mr. SPEAKER: Order. I understand the hon. gentleman is going to ask leave to withdraw his motion. If so, he must not engage in a debate, because there is another motion before the house.

Mr. CHURCH: I ask leave to withdraw my motion, Mr. Speaker.

Mr. SPEAKER: There are now two motions before the house.

Mr. CHURCH: I do not want a political football made of this question.

Mr. SPEAKER: Is it the pleasure of the house that the hon. member for South Huron (Mr. McMillan) shall have leave to withdraw his motion?

Motion withdrawn.

Mr. SPEAKER: Is it the pleasure of the house that the hon. member for Toronto Northwest (Mr. Church) shall have leave to withdraw his motion?

Motion withdrawn.

PROPOSED CHIGNECTO CANAL

Mr. ROBERT K. SMITH (Cumberland) moved:

Whereas in the year 1870 the federal government appointed a canal commission to report on proposed canal works in Canada;

And whereas said commission reported in 1871, dividing the proposed works into four classes and set forth "that all the works under the head of first class are really of so great importance and so essential to the welfare and prosperity of the whole country that they should be undertaken and proceeded with";

And whereas the proposed canal across the isthmus of Chignecto was placed in category of one of the first class projects;

And whereas the said proposed canal across the isthmus of Chignecto is the only proposed canal undertaking of the first class that has not been proceeded with;

And whereas said undertaking is of great importance and essential to the welfare and prosperity of the whole of Canada;

Resolved, that in the opinion of this house, it is advisable that the government of Canada take immediate steps to further investigate said project as to feasibility, cost of construction, economic and national advantages to be gained by the construction of a ship canal across the isthmus of Chignecto to connect the waters of the bay of Fundy with the waters of the gulf of St. Lawrence and further that the government be urged to make these surveys and investigations with the least possible delay;

And that when the surveys, estimates as to cost of construction and economic and national advantages are satisfactorily established the government should take the necessary steps to proceed with the construction of said canal at the earliest possible date.

He said: Mr. Speaker, in moving this resolution it is my intention to approach the discussion of it in the nature of a broad, national project. I am urging the government to investigate the matter in connection with the proposed construction of a canal across the isthmus of Chignecto, joining the waters of the bay of Fundy with the waters of the gulf of St. Lawrence, for the benefit of shorter, cheaper, safer and more advantageous transportation facilities from the national viewpoint.

May I first give the house a brief outline of the historical aspect of the undertaking for the purpose of refreshing in the minds of some hon. members the unwarranted delay of governments in the past in regard to its construction. Before, however, going into that phase, may I point out the geographical location. In this connection I have distributed on the desks of the members a rough sketch showing the saving in distance from many points in Canada to places inside as well as outside our country. The isthmus of Chignecto connects Nova Scotia with New Brunswick, and is about eighteen miles from water to water. The proposed canal route through the isthmus would pass through a soft clay soil, with less than one mile of rock formation, and that of a loose, gravelly content. The location, from the standpoint of dredging, excavating and cost of construction is about as ideal as could be found anywhere, using for some distance the channels of small rivers and lakes, and the engineering difficulties so far as I know present no serious problems. But I feel that that is a matter which I am not qualified to go into at this moment. It is a matter for thorough investigation and modern expert opinion. Surveys for the proposed canal were made as far back as 1825, over one hundred years ago. Several surveys have been made since that time, I believe five in all. A resolution that I shall read to the house in a few minutes will give a clear outline on that point.

[Mr. R. K. Smith.]

May I say that when the conferences preceding confederation were being held in Quebec and Charlottetown this question was discussed, and the impression left with the delegates from the maritime provinces was that this would be one of the transportation services that we would secure on entering confederation. Senator Dickie from Cumberland and Senator Botsford from Westmorland frequently testified to this point.

In 1870 a royal commission was appointed by the then government, consisting of Sir Hugh Allan and others, and that commission recommended to the government of Canada that it proceed with the least possible delay to construct certain specified canals, which they classified in the order in which they were to be built, and I am happy to inform the house that the so-called Baie Verte canal across the isthmus of Chignecto was placed in the list of first-class canals to be constructed without delay, but I am unhappy to say that it was the only one of the first-class canals projects so recommended that was not proceeded with. I wish to quote some findings of the commission touching on the matter of the construction of the Baie Verte canal. Before doing so may I say that this was a royal commission composed of the most representative commercial men of Canada selected from the various provinces. The Baie Verte canal, after full inquiry and examination, was placed by them in the first rank of canals to be constructed by the Dominion government. The following is extracted from the report of the commission submitted to the government of the day:

> The growth of intercolonial trade depends on cheap transit, since the merchandise passing between the maritime provinces and Ontario must be of a bulky character, requiring large vessels and rapid dispatch to be really profitable. When a propellor can go direct with a cargo of coal, or other produce of the eastern provinces, to Kingston and Toronto, and there get a return freight of flour, barley and other western produce, intercolonial trade will have entered on a new era.
>
> When Nova Scotia coal of the best description can be supplied abundantly and cheaply to western ports, a great impulse will necessarily be given to the transfer of the trade of the St. Lawrence and lakes to screw steamers, a transfer already taking place as we have previously shown.
>
> With the canals enlarged, coal freighters would be reduced to the minimum point—a lake propellor would always bring back from the lower ports a cargo of coal, rather than come empty—just as the English timber ships have been accustomed to bring the same articles instead of ballast.

Inseparably connected with the growth of intercolonial trade is the construction of the Baie Verte canal across the isthmus, connecting the provinces of Nova Scotia and New Brunswick. The advantages that must accrue, not merely to the Dominion as a whole, but to the commerce of the maritime provinces, are so clearly pointed out by the boards of trade of all the leading cities of Canada, and by men interested in the development of our commercial interests,—not simply the merchants of St. John and other places in the locality of the proposed canal, but merchants of Hamilton, Toronto, Ottawa, Montreal and Quebec; that it is superfluous for the commissioners to do more than briefly refer to a few salient features of the scheme.

Mr. DUNNING: May I interrupt my hon. friend to ask what commission he is referring to and what is the date of the report?

Mr. SMITH (Cumberland): The commission headed by Sir Hugh Allan, which was appointed in 1870, and reported to the government in 1871.

Quoting further the report says:

A steamer laded with flour for St. John, N.B. now goes down the gulf as far as Shediac, where the cargo is transported by rail to its destination. The total distance by water from Shediac through the Gut of Canso and around the coast of Nova Scotia to the bay of Fundy as far as the commercial capital of New Brunswick is about six hundred miles, and the consequence is that there is little or no direct communication between the bay of Fundy ports and those of the river St. Lawrence. By a canal through the isthmus the distance from Shediac to St. John will not be much more than one hundred miles.

Accordingly, Mr. Speaker, the government of the day decided to proceed with the construction of the canal. His Excellency Lord Dufferin, at the opening of the session of 1873, in the speech from the throne used the following language, which may be found on page 2 of the parliamentary debates of that year:

I am glad to inform you that plans and specifications for the enlargement of the Welland, and the construction of the Baie Verte canal, have been completed, and that the works can now be put under contract. The surveys for the St. Lawrence canals will, I am assured, be finished in time to commence the works at the beginning of next year. This will insure the completion of all these great works at the same period.

In accordance with the promise thus given in the speech from the throne $1,000,000 was placed in the estimates that year for the construction of the Baie Verte canal which, according to the late Mr. Page's estimate of the line surveyed by Messrs. Gzowski and Keefer, was to cost between seven and eight million dollars.

In 1875 another commission was appointed, with the late Hon. John Young as chairman. The report made by this commission was unfavourable. The Hon. Joseph Lawrence, however, one of the commissioners, protested against the verdict of the majority and in a separate minority report ably defended the commercial prospects of the canal. After a complete and thorough survey of the whole matter he summed up his conclusions as follows:

Having given to the trust delegated to me, as one of the canal commission of 1875, the most careful and studious attention, I would recommend to the government, in the interests of the Dominion, the construction of a full tide canal, of the size designated in this report, believing it to be adequate to all the exigencies of commerce, at least for many years. It is a matter, however, meriting the consideration of the government, as to whether the suggestion of Professor Hind, for a tidal highway, might not be adopted, for, should it be found not to meet the requirements of trade, it could be made into a canal.

It is a work which Sir Hugh Allan, Gzowski, Calvin, Gavreau, Jardine, Shannon and Keefer declared "was essential to give unity and completeness to the canal system of the country, and was Canadian in design, and must prove national in its results." With my colleagues. I most cordially join in "the hope that the existing depression in business will prove temporary, and that with increasing population, and the extension of the industry of the country, the progress of the future will be equal to the past, and this will be greatly stimulated by the cheapening of transit from all points of the interior to the consumers of the east, and to the ports of shipment to Europe." To the attainment of these patriotic aspirations, what will do more than a connection of the waters of the bay of Fundy with the waters of the gulf of St. Lawrence?

In the report of the second canal commission, reporting in 1875, it was discovered that there was an error in the computation of the distance to be saved by the shore cut. The commissioners had represented the distance saved from Montreal to St. John as only 225 miles, whereas it is actually 500 miles, making an error in that respect in their calculation of 275 miles. The prejudice produced in some quarters by the misrepresentation of the distance saved—and hence some of the erroneous conclusions of the report—endures in the east to this day.

With respect to the adverse report, may I point out that certain admissions were made. I should like briefly to refer to one paragraph in this respect. It is stated:

The evidence taken, and the observations which the commissioners have had the opportunity of making, have impressed them deeply with the vast resources of New Brunswick, Nova Scotia and Prince Edward Island, and the large increase which may reasonably be looked for in their trade and commerce.

May I now quote a rather lengthy resolution which was adopted by the Amherst Board

of Trade on September 12, 1928, which I think covers quite thoroughly the salient points of this whole scheme:

Whereas numerous surveys of the route to connect the waters of the gulf of St. Lawrence with those of the bay of Fundy by cutting across the isthmus of Chignecto were made between the years 1825 and 1864, and

Whereas at the Quebec conference held in 1864 "it was distinctly understood and agreed" that the canal would be built if confederation were consummated, and

Whereas in 1870 the federal government appointed a commission of eminent men to examine into the canal projects of Canada, which commission held meetings and examined witnesses in Halifax, St. John, Quebec, Ottawa, Kingston, Belleville, Toronto, Hamilton, London, Stratford, Guelph and Windsor in Canada, and Chicago, Milwaukee, Detroit, Toledo and Oswego in the United States, and received reports from the corporate towns and public meetings, and

Whereas this canal commission reported in 1871 and divided the proposed works of Canada into four classes, and set forth:

"that all the works embraced under the head of first class are really of so great importance, so essential to the welfare and prosperity of the whole country, that they should be undertaken and proceeded with," and

Whereas in reference to the canal across the isthmus of Chignecto the report reads as follows:—

"Inseparably connected with the growth of intercolonial trade in the construction of the Bay Verte canal, across the isthmus of Chignecto connecting the provinces of Nova Scotia and New Brunswick. The advantages that must accrue, not merely to the Dominion as a whole, but to the commerce of the maritime provinces, are so clearly pointed out by the boards of trade of all the leading cities of Canada, and by men interested in the development of our commercial interests, not simply the merchants of St. John and other places in the locality of the proposed canal but merchants of Hamilton, Toronto, Ottawa, Montreal and Quebec, that it is superfluous for the commissioners to do more than briefly refer to a few salient features of the scheme."

"The total distance by water from Shediac through the Gut of Canso and around the coast of Nova Scotia to the bay of Fundy as far as the commercial capital of New Brunswick is about 600 miles and the consequence is that there is little or no direct communication between the bay of Fundy ports and those of the river St. Lawrence. By a canal through the isthmus the distance from Shediac to St. John will not be much more than one hundred miles. This fact will show the insuperable obstacle that now exists to anything like extensive commerce between Montreal and the bay of Fundy ports of New Brunswick and Nova Scotia, and the great impulse that must be necessarily given to trade by the opening up of a route which will shorten the distance so considerably, furnish an inland navigation from the Lakes to Boston, and consequently lessen freights between these points.

When we consider the shorter distance and the lessening of insurance in the autumn on account of a safer route than that now taken through Canso and round the Atlantic coast of Nova Scotia, so exposed at certain seasons to fogs and storms, etc. etc.

[Mr. R. K. Smith.]

The lumber and fishery interests of the gulf of St. Lawrence both of the island of Prince Edward, and what is generally known as the north shore of New Brunswick, will also be benefited by their being afforded a safer and shorter route not only to the ports of the bay of Fundy but also to those of the northeastern coast of the United States.

It will enable the valuable stones of the quarries, the olive freestone of Dorchester, the gypsum of Hants and Hillsborough, the grind and scythe stones in the vicinity of Cumberland bay, and as well the albertite of New Brunswick, which is unsurpassed for illuminating purposes, to be transported to the Canadian market from which it is now virtually shut off by the difficulty and cost of transit.

The St. John, N.B. Chamber of Commerce states the benefits arising from the construction of this canal as follows:—

1. The maritime provinces import, say 700,000 barrels of flour annually, besides a great many other articles of bulky character.

2. The maritime provinces possess inexhaustible supplies of productions required by Ontario and Quebec.

3. The chief articles of import from Ontario to the maritime provinces, and vice versa, being bulky, the element of freight forms a large item in their value; hence, any greater facility for transit tending to cheapen the cost must be productive of a greatly increased demand.

4. This canal would not only afford the desired facility for transit by rendering it unnecessary to break bulk between the points of shipment and destination, but would remove a great barrier to cheap freights by enabling owners of vessels to secure cargoes to Ontario and Quebec and thus build up a mutually desirable reciprocal trade, which may be increased to almost any extent.

And finally the report of the commission in dividing the proposed canals into four classes, put in the first class the following works:—

The Sault Ste. Marie canal.

The raising of the lock walls, waste weirs, and banks of the Welland canal and the enlargement of the Welland canal, on the scale adopted for it.

The Ottawa Canal improvements from Ottawa to Lachine.

The enlargement of the Chambly canal on the scale adopted for it.

The deepening of a navigable channel in the river St. Lawrence between Quebec and Montreal to twenty-two feet at low water.

The construction of the Baie Verte canal on the scale adopted for it.

The enlargement of the St. Lawrence to the same scale as the Welland.

The improvement of the channel in the river St. Lawrence above Montreal by removing all obstructions in the river and lakes between the several canals, and also at the ingress and egress of these canals so as to give 14 feet of water throughout.

This report was signed by:—

Sir Hugh Allan, of Montreal chairman.
Casimir S. Gzowski, C.E., of Toronto.
D. D. Calvin, Esq., of Wolfe Island, Ontario.
Pierre Garneau, Es., of Quebec City.
Alexander Jardine, of St. John, N.B.
S. L. Shannon, Esq., of Halifax, N.S., and by Samuel Keefer, Esq., C. E., as secretary.

Whereas every one of the recommendations contained in this report in reference to the

works of the first class have been more than carried out except the construction of a canal connecting the waters of the St. Lawrence with the waters of the Bay of Fundy, and the navigable channel in the river St. Lawrence between Quebec and Montreal has not only been made 22 feet but has been made 30 feet, and

Whereas there was afterwards placed in the estimates and unanimously voted by parliament the sum of one million dollars towards the construction of this canal, none of which was spent, and

Whereas there has been spent on construction of canals of Ontario and Quebec a sum exceeding two hundred millions of dollars and for repairs a sum exceeding twenty millions of dollars, and

Whereas parliament afterwards resolved to grant one hundred and fifty thousand dollars per year for twenty-five years to the Chignecto Marine Transport Railway Company, for the operation of a ship-railway across the isthmus, none of which was ever paid as the ship-railway project was abandoned before completion, and

Whereas there is more need for the canal to-day than there was in 1871 for the purpose of interprovincial trade and particularly for the conveying of produce from Bay of Fundy ports to the markets of central Canada, including apples from the Annapolis and Cornwallis valleys, coal from the Cumberland coal basin, gypsum from the counties of Hants and Albert, and granite from Charlotte and Shelburne, and

Whereas the construction of this canal would lessen the distance by water from Prince Edward Island to St. John, N.B., by nearly 400 miles and would give potatoes and other products of that island much cheaper rates by water transportation particularly to the ports of the United States along the Atlantic seaboard, and

Whereas it would largely increase the trade of the eastern ports of New Brunswick and also increase the fishing industry of the gulf of St. Lawrence, and

Whereas it would lessen the distance by water between Ontario and Quebec and the port of St. John, N.B., by several hundred miles, and provide a coastal trade in which could be used boats which would navigate the canals of central Canada so that goods could be transported without breaking bulk, and

Whereas it would shorten the distance from points in northern Nova Scotia and Prince Edward Island as well as from ports on the eastern coast of New Brunswick and the ports of the St. Lawrence river to the British West Indies and to Cuba, and

Whereas the total length of the canal would be only about eighteen miles, and would pass, according to the engineers' reports, except for the distance of less than a mile, through soft material.

Therefore resolved the Dominion government be requested to proceed with the construction of this canal at the earliest possible date.

Resolutions similar to this were passed by a number of boards of trade all over the martime provinces; I have some of them here but will not weary the house by reading them. However, I would like to mention one in particular, a resolution passed by the Springhill board of trade stressing the fact that the canal would be of considerable advantage to them in the shipment of their coal to Parrsboro then up to bay of Fundy through the proposed canal to the Montreal market.

I also wish to say that a resolution was passed at Halifax last year by the maritime board of trade, a body made up of all the associated boards of trade of the maritime provinces. It is non-political, dealing with various non-political matters and passing resolutions from time to time in favour of or condemning certain projects mooted in the maritime provinces. This project has received the wholehearted support of the maritime board of trade, although I am bound to add that the resolution passed by that body is not so strong as the one I have just read, in that it asks the federal government to investigate, by a survey and by modern, expert engineering opinion, this proposed canal to ascertain if the scheme is considered practicable.

I also have here some correspondence from different firms all over the maritime provinces with respect to the benefits which will be derived from the construction of this proposed canal. Most of the correspondence enlarges on the matters to which I have already referred, and points out the distinct advantage to the general trade of the three maritime provinces which would result from the construction of this canal. The possibilities of increased trade between the maritime provinces and the rest of Canada have not been developed in a corresponding or relative measure with the rest of the Dominion, due in part to a lack of adequate transportation facilities and geographical handicaps which place us to-day in a position of inequality since we do not fully participate in whatever measure of prosperity is being enjoyed by other portions of the country. We must remember that from the time of confederation up to March 31, 1928, we have spent $266,828,752.80 on the construction, maintenance, staff and repairs of the canals of Canada, while only $1,737,425.10 has been spent in the maritime provinces, on what is known as the St. Peter's canal in Cape Breton. So it does not occur to me that our request at this time is unreasonable or inopportune. I would point out further that when the Baie Verte canal scheme was revived by the Amherst board of trade last year we were delighted with the response from different parts of the country and from the newspapers of Canada. I have not time to read them all, but as an example I wish to quote from the Montreal Herald of July 26, 1928:

The memories of most of us do not go back fifty years to the time when the Baie Verte canal project was a live political issue. We venture to prophesy, however, that before a tiny portion of the next half century passes, the people of Canada will become aware of where and what this canal was and meant. In short, the Baie Verte canal scheme is now re-christened the Chignecto canal proposal, and the maritimes, discarding party politics, are showing a determined spirit to demonstrate to the rest of Canada its advantages and to stir the federal government to father the project.

H. J. Logan is one of the active promoters and one need know nothing more about Mr. Logan than the success of his efforts to revive our West Indies trade to realize that there is likely to be a stirring of the waters in good earnest.

Our readers will want to know what this Chignecto canal project is and means. We cover the subject briefly.

Chignecto bay and Cumberland basin give into each other at the head of the bay of Fundy. A fraction over 20 miles separates these waters from Baie Verte, an arm of Northumberland strait. The Chignecto canal will connect Cumberland basin and Baie Verte.

The country through which the construction would be carried on would present no great difficulties, and we believe the cost would be but a small fraction of any one of our other canal expenditures.

We would not be so greatly interested were the idea one that would be of sole benefit to the maritimes. Brief study only is needed, however, to convince that this is not a local or provincial concern, but one of national import.

It would shorten the distance by water from Prince Edward Island ports to Saint John and United States Atlantic ports by six hundred miles, and save the cost of breaking bulk and reshipment by rail.

It would shorten the distance by water from Montreal to bay of Fundy by five hundred miles, and to the West Indies by 400 miles. These distances mean a saving of two days—an important matter.

Apples from the land of Evangeline; coal from Cumberland, and gypsum from Hants; olive freestone from Dorchester; the grind and scythe stones from Cumberland; and albertite, unsurpassed for illuminating purposes, from New Brunswick, could be carried to the markets of central Canada at small cost.

The Saint John, N.B., chamber of commerce sums up the advantages as follows:—

"This canal would not only afford the desired facility for transit by rendering it unnecessary to break bulk between the points of shipment and destination, but would remove a great barrier to cheap freights by enabling owners of vessels to secure return cargoes to Ontario and Quebec, and thus build up a mutually desirable reciprocal trade, which may be increased to almost any extent."

Here is something good for the maritimes and for Canada. Every Montreal citizen, no matter what his origin, can give his support unhesitatingly. It is specially a project that the Maritime Provinces Club of Montreal, recently organized, might get behind with all the weight of the great influence of its membership.

[Mr. R. K. Smith.]

The maritimes may count on the unwavering support of the Montreal Herald, if party politics is left out of their efforts to make this dream come true.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. SMITH (Cumberland): Mr. Speaker, when the house rose at six o'clock, I had just concluded reading an extract from the Montreal Herald endorsing this project. In the concluding paragraph it stated that it would give it unwavering support if party politics were left out. I believe that can be answered to the complete satisfaction of all. The resolution of the Amherst board of trade read by me this afternoon was moved by the Hon. H. J. Logan, a recent and very popular appointment by the government to the Senate of Canada. Mr. Logan for some time past has taken a very keen interest in this project and is one of those instrumental in having the matter revived. The project has also been endorsed unanimously by the Maritime Board of Trade, a non-political organization in every sense, representing as it does all the local boards of trade of the three maritime provinces, to the extent of asking the government to ascertain as to the feasibility of the project. Many of the press of all political shades have endorsed the scheme, so that I believe this is one measure of which it can be truthfully said is stripped of all political colouring.

May I, in conclusion, draw to the attention of the house once more the fact that away back in 1871 the project was thoroughly considered by a commission whose personnel was of a highly responsible type of Canadian citizens of capacity and vision, and after a thorough and most exhaustive investigation they recommended that a canal across the isthmus of Chignecto was a transportation necessity from a national viewpoint, to complete the system of canals in Canada for the purpose of stimulating interprovincial trade, to alleviate existing geographical handicaps and also to promote further our commercial possibilities? Is it not fitting to say now that if there was reason for their favourable recommendations in the seventies, surely after upwards of fifty years progress along commercial and transportation lines, the national advantages and economic necessities are correspondingly greater in these days of speed, short cuts and elimination of geographical obstacles? This canal, if constructed, will not only serve the various interests of Canada I have mentioned, but have a far-reaching tendency to

stimulate and develop commerce and tonnage through new channels, and develop trade, the greatest benefits of which can only now be visualized but the realities of which may be realized when the project is consummated and in operation.

On the various grounds I have mentioned I appeal to all members of the house to pass the resoluton which I take pleasure in moving, seconded by the hon. member for St. John-Albert (Mr. MacLaren), asking the government of Canada to further investigate the project with the least possible delay, as to feasibility; cost of construction; economic, provincial and national advantage to be gained; and, when these have been satisfactorily established, that the government take the necessary steps to proceed with the construction of the canal at the earliest possible date.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, the hon. member for Cumberland (Mr. Smith) has given the house a comprehensive account of the project called the Baie Verte canal. It is a subject that has been before the house on several occasions during the past number of years; but for various reasons the proposal has not been proceeded with, although, as hon. members will remember, at one time a sum was actually voted for carrying out the work. One important reason for stopping this project was a fantastic proposal to build a ship railway which was actually started but not completed, the result being that the unfortunate, unsuccessful proposal of building a ship railway has delayed the matter very seriously until we have arrived at the present time.

A new interest has now arisen, and a desire is becoming general that this proposal of the Baie Verte canal, so called, be now carried out. The province of Nova Scotia is connected wth the province of New Brunswick by what is called the Chignecto isthmus, which is a narrow isthmus varying from eighteen to twenty miles in width. Were the canal constructed, it would bring into contact two large bodies of water, the strait of Northumberland and the bay of Fundy. It would result in the ports of Prince Edward Island being approximated by some hundreds of miles to ports along the bay of Fundy and ports of the United States. It would also have a similar effect on the ports of the north shore of New Brunswick and the north shore of Nova Scotia, in all those cases there being a saving of some hundreds of miles. It is estimated that, by the construction of this canal, something like 500 miles would be saved in the distance between ports of the river St. Lawrence, Quebec and Montreal, and St. John and other ports on the bay of Fundy, and ports such as Portland, Maine, Boston and New York.

There are several outstanding points of interest in this connection. First of all there is the fact that it would be a short canal, being something less than twenty miles. The next point is the cost of construction. The soil can be easily removed and the quantity of rock is quite small. Another point is, in comparison with the short canal, the great saving of mileage between the strait of Northumberland and the bay of Fundy. This motion recommends that a survey be made of the area where the canal might be built, and that a report be made as to its feasibility and whether it would be a sound economic proposition; and should the report be favourable, the motion recommends that the construction of the canal be proceeded with. That seems to me a fair proposition. Personally I believe that such a canal would be of very great service to the shipping trade in that portion of the country, and I trust that the government will look upon this matter favourably and agree to the motion being passed.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, the matter of a canal in the location referred to in the resolution of my hon. friend from Cumberland (Mr. Smith) has been, as he has stated, brought actively to the attention of the government during the past year, notably by Senator Hance Logan, and I have had the advantage of hearing from the senator many of the arguments which my hon. friend has advanced this afternoon and this evening.

The proposal is an old one, dating back to before confederation. I have been interested enough to delve somewhat into its history, and I find that there was a canal commission appointed in 1870 to report on the importance of inland navigation generally throughout Canada, a commission which dealt with the then existing canals and waterways and a number of other projects, including the one referred to in the resolution. The report of the commissioners, which was made in the following year, 1871, recommended this project at an estimated cost of $3,250,000 at that time, providing for locks two hundred and seventy feet in length, forty feet in width, and fifteen feet draught on the mitre sills. In passing, I might remark that in all probability a study would reveal that the dimensions provided for in the report of 1870 would not be adequate to-day. At any rate that question would require very careful examination.

Mr. CANTLEY: Those dimensions would be useless.

Mr. DUNNING: From a mere glance at the figures I am inclined to agree with my hon. friend, that they would be useless to provide adequate accommodation under modern conditions. In 1873 a report was made on the project by John Page, then chief engineer of the Department of Public Works, apparently on the same basis of dimensions. He reported the probable cost of the canal to be $7,100,000. The matter was further considered by the government of that time, and a second royal commission was appointed. My hon. friend from Cumberland has referred to that, and has read some extracts from the minority report which was presented by one of the members of that second commission. But the fact remains that this second royal commission, which reported to the Secretary of State on December 2, 1875, stated that it was not in the interests of the Dominion that the proposed canal should be constructed. I shall not go over the ground that my hon. friend covered in that connection. The commission reported, with the exception of one member, as I have just indicated.

In 1882, the company referred to by my hon. friend from St. John-Albert (Mr. MacLaren) was incorporated to construct a marine railway across the peninsula, having as part of its financial basis a subsidy payable by the federal government with respect to the operation of the railway once it was completed. After a somewhat hectic career, this company entirely ceased operations.

Mr. BENNETT: It did a good deal of work, though, first.

Mr. DUNNING: Yes, the company submitted its plans and they were approved. Progress was for a time made, and it was expected that the works would have been completed early in 1892, but work was suspended for financial reasons, and by a further act in 1891 the date for completion, for subsidy purposes, was extended to July 1, 1893, and the penal clause in this regard contained in the previous act was repealed. In 1892 authority was given to the Marine Railway Company to issue new mortgage bonds to the value of £350,000 sterling, and by an order in council passed on July 9, 1892, a recommendation to parliament to extend the time further to July 6, 1894, was promised, provided the works were actually in progress and that satisfactory evidence was given that the capital necessary for completion had been obtained. This evidence, however, was not obtained, and no action was taken, and the subsidy completely lapsed.

I refer to that Marine railway for the reason that it was one of these old companies in which doubtless a lot of people lost a lot of money, and I would not like it to be taken from the discussion here that there could possibly be any action to revive any old claims on the part of the shareholders of the Marine railway, should any action be taken to construct the canal advocated by my hon. friend.

With respect to the resolution itself, it calls for an investigation as to the feasibility, cost of construction, economic and national advantages to be gained by the construction of such a canal. The government is not disposed to deny or to attempt to deny such an investigation. A project having its roots back in pre-confederation days, a project which was evidently fifty years ago deemed to be of considerable economic value to Canada, and of very great importance to the people of the maritime provinces, cannot lightly be dismissed without a thorough investigation. The government is prepared to have made such an investigation as my hon. friend asks for in this resolution. But I do suggest to him that it would be advisable to drop the last paragraph of the resolution, which would commit parliament in advance to the construction of the canal, provided that such an investigation indicated that it was both feasible and had economic and national advantages. I feel sure that he will on reflection see that it is asking parliament to go quite a long way, to authorize an investigation, and then upon a favourable report to commit parliament in advance to the construction of the project. I submit that the proper course to pursue in a matter of this kind is to have an investigation and get a report; let the report be tabled in the house and be discussed by the members, because evidently this is a project of considerable magnitude. If it would cost $7,100,000 for the size and scale of project recommended in 1873, one can well imagine the commitment to-day would be an extensive one, under modern conditions of cost, if it was to be large enough to provide the very much greater accommodation which would be required to meet the necessities of modern transportation. So I say to my hon. friend on behalf of the government that if he will drop the last paragraph, which would commit parliament too far at this stage, the government has no objection whatever to the resolution and will endeavour to have the investigation asked for made.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, with practically everything that has been said by the hon. Minister of Railways (Mr. Dunning) I am wholly in accord. One of the earliest recollections of my political life was a discussion with a gentleman who represented certain interests that were undertaking to build a marine railway across the isthmus of Chignecto. As a consequence of that discussion I made some inquiries as to how the project came into being, and it was apparent that at one time the country did contemplate the construction of a canal across that isthmus. It was not carried forward. Under modern conditions, with improvements such as we have to-day, it may well be that we can construct such a canal for practically the same cost that was estimated in the first instance.

I saw some of the old ship railway canal construction work last summer, and I took the trouble to learn something of the one-time proposed location of the canal. Certainly it is a problem that has been engaging the attention of men and women from the maritime provinces for a long time as to how the waters of the straits of Northumberland might be connected with those of the bay of Fundy, thereby improving transportation facilities and decreasing the cost of the movement of freight from the lower provinces to the upper provinces and from the upper provinces to the lower, and even to the United States.

The minister has promised to give this matter the attention that has been suggested by the member for Cumberland (Mr. Smith) in the resolution, and I think this will commend itself to every part of the country, and I am sure it does to this house. I rather concur with his suggestion that the hon. gentleman withdraw the last paragraph of the resolution, for I am free to say I quite agree with the minister that an antecedent commitment by parliament to any course of action dependent upon a satisfactory report is too vague and indefinite, because what might be satisfactory to my hon. friend to-day might not be entirely so to his successor to-morrow. It might well be that some "vicious principle" would make it inadvisable to proceed with what the government thought to be sound a week before. Judging from the studied care with which the hon. minister of Public Works (Mr. Elliott) is now observing his reports, I am satisfied that he would not regard it as a "vicious principle" that this work should be undertaken by the Department of Railways and Canals, and not by the department over which he presides.

Mr. A. E. MacLEAN (Prince): Mr. Speaker, I think the hon. member for Cumberland (Mr. Smith) is to be congratulated on bringing this matter before the house. Of the three maritime provinces, probably Prince Edward Island is the most interested in this project. The fact that the survey was made away back in 1870 and nothing has been done in the meantime to carry out the work does not prove that such a work is not a necessity. As has been very well pointed out, even if it were not a necessity in the past, with the great increase in production of the maritime provinces, with the consequent need of more extended markets at the present time, this work is positively of greater concern to us now than it ever was.

A glance at the map that has been laid on our desks shows that a direct route would be opened up between Prince Edward Island and the ports of St. John and Boston, thus effecting a saving of a few hundred miles and to that extent reducing our cost of transportation and expediting deliveries. To-day we are more handicapped in Prince Edward Island and Nova Scotia and New Brunswick than we have been for a number of years with respect to markets for our agricultural products. The very fact that we are developing our trade with the West Indies and with Cuba makes it all the more imperative that this work should be gone ahead with in order to give us the cheapest transportation possible for our agricultural products, particularly in view of the possibility that the United States may through certain upward tariff revisions which are now pending intimate that they do not want to trade with us.

Cheap transportation is of vital concern to us in the maritime provinces. During the past year we had a large surplus crop of potatoes, which are bringing a very, very low price. Last season the Dominion Stores desired to place an order for two hundred carloads of Prince Edward Island potatoes. As hon. members are aware, there are freight zones throughout the Dominion, the freight rates to any particular point varying in each of those zones. As a result of a difference of about five dollars a car, the zones furthest away from the point of destination could not secure any of that two-hundred-car order although the difference in the cost was only $5 per car. That is one case that came directly to our notice last season. Therefore it will be seen what an advantage cheaper transportation would be to Prince Edward Island, for it would give us extended markets, and even $5 per car often means the moving of the crop or not moving it.

But in addition to our agricultural markets we require a market for our fish. Probably the best fishing grounds of the whole Atlantic are off our shores. On the north side of the island we have a very important cod-fishing industry, but up to the present it has never been developed in a profitable way. Some day someone is going to wake up to the possibilities of that great industry, and it will be so organized and developed that a larger market will be absolutely necessary for the products of this industry as well as for lobsters, scallops and other sea foods.

Hon. members may be surprised when I state that right in the province of Prince Edward Island if we had a short canal connecting the north side of the island with Northumberland straits it would do more for the province and for its fishing industry than perhaps anything else that we could devise. There is one point between Richmond bay and Bedeque bay where tidewater is only separated by about four miles. A canal cut through that narrow part would allow all the north shore of Prince Edward Island to be in direct communication with railway and cold storage facilities, and with the shipping facilities that the south side already enjoys. I do not know whether this matter has ever before been brought up, but the people of the north side of the province are asking for railway connection. This is one way of solving their problems. Last year the people on the north side of the island chartered schooners and loaded them with agricultural products and sent them an a voyage of one hundred miles around the north cape and down the south side of the island to Summerside habour where the cargo was transshipped to steamers there loading for the southern states. That is a hardship and an expense which the agricultural people of that community cannot bear. Why not investigate this needed work at the same time as the mainland scheme is being investigated. I am throwing this out as a suggestion as to what might be done. We were told this afternoon that a sum of over $266,000,000 has been expended on canals throughout Canada. Not one dollar of that money has ever been spent in the province from which I have the honour to come; and no doubt, as the development of canals throughout the country will continue, Prince Edward Island will be contributing in the future, as it has done in the past, to these public works from which the people in that province have been reaping no benefits themselves. I am offering this suggestion as one which in my opinion should be considered in connection with this project which is before the house at the present time. The linking up of the north shore of Prince Edward Island directly with the south side will provide facilities which are greatly needed, and if this work of the Chignecto canal goes on we shall be put into close touch with St. John, Boston and other markets. As has been pointed out, this work has been endorsed by the maritime boards of trade and by every public body in the maritime provinces. I feel sure, from what the Minister of Railways (Mr. Dunning) has said, that the matter will be given careful consideration, and I trust that at some future date we shall see this important work pushed forward to a satisfactory conclusion.

[Mr. MacLean.]

Mr. THOMAS CANTLEY (Pictou): I am in full accord with the proposal of the hon. member for Cumberland (Mr. Smith). It is true that to-day canals are not viewed as being of that degree of importance which they were fifty years ago. That is due largely to the great improvement which has been effected in railway transportation. Nevertheless, canals have their place, and in that connection I wish to point out, what has already been referred to, that while we in Canada have spent some $260,000,000 odd in canal construction, improvement and maintenance, of that vast sum but less than three-quarters of a million has been spent in the three maritime provinces. In view of that, I submit that the proposal which the hon. member for Cumberland has made should receive the support of all members of the house. I am quite in accord with the suggestion made by the Minister of Railways, that locks such as were considered by the power commissioners who investigated the project would be totally inadequate; they would be useless. If that canal is to be built, the lock would need to be not less than 500 feet in length with at least 25 feet depth on the sills. There is no use proposing or constructing anything under those dimensions, if modern steamers are to go through the cut.

Mr. DUNNING: Would my hon. friend consider 25 feet on the sills sufficient under modern conditions?

Mr. CANTLEY: I suggested that as the minimum.

Mr. DUNNING: I agree with my hon. friend.

Mr. CANTLEY: They should be 30 to 33 feet. The canal should have locks of equal capacity with those on the St. Lawrence, whatever may be ultimately decided upon.

Mr. DUNNING: Twenty-seven feet in depth and provision for thirty feet in the locks.

Mr. CANTLEY: Exactly. Now, I do not think I need say very much more regarding the proposal, in view of the statement made by the minister. I take it he is speaking on behalf of the government, who are prepared to go on with the investigation. I assume therefore that the mover will meet the minister's suggestion and drop the last clause of the resolution. A good deal could be said on the subject, but I do not think it now necessary.

Reviewing the history of the ship railway which was proposed by Sir Charles Tupper, I believe, so far as my memory goes, that it was the only project with which his name was associated in the development of Canada which was not carried through to a final and successful conclusion. In my opinion the whole scheme of the ship railway was wrong in essence and principle. I do not think there was any warrant for it; as it would compare in usefulness with a modern canal system such as is now proposed. The proposal, in connection with the ship railway, was to dock the vessels, raise them on a cradle and transport them across the isthmus, the railway for this purpose consisting of four bands of parallel standard gauge track laid with 110 pound steel. The dock was completed on one side and partially completed on the other. The machinery for lifting the vessels out of the water on the southern side was installed. The rails were laid over a considerable portion of the road. Subsequently the whole plant was scrapped; the rails were lifted and most were taken to New Glasgow, where the great bulk of them were re-melted. That was practically the end of the enterprise. As pointed out by the Minister of Railways, some considerable losses were sustained and claims made. The charter was extended on two occasions, but the project ultimately fell through.

I take it that, so far as the present proposal of the member for Cumberland is concerned, the government will see that an investigation is made. What the result will be remains to be seen, but I know that it will be viewed with a considerable degree of satisfaction in the maritime provinces, that an investigation is to be made. I leave the matter at that.

Hon. J. L. RALSTON (Minister of National Defence): After the statement by the Minister of Railways (Mr. Dunning) as to the attitude of the government in connection with the project under consideration, it is necessary for one to discuss the merits of the question, because that is the very essence of the investigation which it is proposed to make, namely, that the merits shall be thoroughly gone into, the economic situation examined, and all the information brought to bear which would assist in arriving at a conclusion as to the national advantage, the practical utility, and the economic possibility of the scheme.

My purpose in rising is perhaps a very personal one. The project happens to be put forward primarily by the citizens of my native town of Amherst. My hon. friend, the member for Cumberland (Mr. Smith), this afternoon read certain resolutions from the town council of Amherst. This brings back to my mind recollections of early days. Probably I had a more intimate association with the so-called ship railway, or Chignecto marine railway, than even the leader of the opposition (Mr. Bennett). I want to tell him that I drove a bread wagon which supplied bread for the navvies who worked on that particular job. I feel therefore that I know a good deal at first hand about the ship railway. It was with regret to myself as well as to the older citizens that the project was discontinued. Let me say for my fellow citizens of Amherst, that they are not the sort of people who just ask governments to do things. The citizens of Amherst are the kind of people who have tried to help themselves. There were a good many industries in that town—flourishing industries which were promoted in no small measure by the money, the energy and the courage of the people of Amherst. It was and is a matter of regret to us all that some of those industries are not in the prosperous condition in which we should like to see them. The citizens of Amherst have received a good many hard blows in connection with development there, but they still look forward and this is a project in which they are taking a real and definite interest. They are going about it in a dignified and logical way, but energetically nevertheless. They are not asking impossibilities; they are asking that the matter be first thoroughly investigated in the light of present day conditions and they are basing their request upon the fact that a great many years ago a commission did make findings favourable to the construction of the canal. There was, as the hon. member (Mr. Smith) has pointed out, a later commission which made a finding rather the reverse of that, and the project was allowed to lapse, whether on account of the proposal of the Chignecto marine railway or whether because of other reasons I do not know. However, I feel that with

citizens and public bodies like these asking parliament for examination and consideration it is only fair and right that what is set out in the second last paragraph of this resolution should be granted and a full inquiry made. As a former resident of the county of Cumberland, in which is also the thriving town of Springhill mentioned by my hon. friend this afternoon, which of course would be interested, and in which are also other enterprising and active towns, I am glad indeed to be a member of the government which undertakes to say that the fullest investigation will be made into this question.

Mr. SMITH (Cumberland): Having received the assurance of the Minister of Railways, I am willing to consent to the deletion of the last paragraph of the resolution, of course on condition that the investigation into the feasibility, the cost of construction and the advantages to be gained by building this canal will be undertaken by the government with the least possible delay.

Mr. DUNNING: I want it made quite clear that I cannot promise to start to-morrow; my hon. friend appreciates that fact, but having regard to the other work which the type of men needed for this investigation are presently engaged in, I am sure my hon. friend will appreciate that we will get at it as soon as we possibly can, having regard to those conditions.

Mr. SPEAKER: The hon. gentleman cannot amend his own motion. Mr. Barber will move, seconded by Mr. Brady, that the resolution be amended by striking out the last paragraph.

Amendment agreed to.

Motion as amended agreed to.

NATURAL RESOURCES

PROPOSAL THAT DISPOSITION BE EFFECTIVE ONLY ON APPROVAL OF PARLIAMENT

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

He said: Mr. Speaker, it would seem as though more and more we are being governed by the cabinet and by orders in council, and I propose to restore the control of parliament in at least one department. We cannot spend money on public works without the approval of parliament, but we may find that our natural resources worth countless millions of dollars have been alienated and that parliament has had nothing to say in the matter.. It seems to me that if in Great Britain there had been great natural resources such as we have in Canada they would have devised rules and precedents which would have served as safeguards, but there they had their feudal system under which the crown did not have the same natural resources as we have in Canada. We started in this country with half a continent, with forests, mines, timber limits, water powers and so on, an abundance of natural resources, and in a few short years we have alienated the greater part at least of those immediately available; apparently we had nothing in our constitution to prevent this alienation by governments.

A divorce case must go through a very elaborate process both in the senate and in this house, but it would seem as though the St. Lawrence waterway may be given away without this house having anything to say about it; in fact the Prime Minister intimated the other day in response to a question proposed by my colleague that it was proposed that the decision in connection with the St. Lawrence waterway would be made by order in council. To-day the Prime Minister (Mr. Mackenzie King) suggested that parliament was not fitted to decide upon these matters, that the negotiations had to be carried on by the government. I am quite willing to have the government carry on negotiations, but I would say that after these negotiations have reached a certain stage parliament should be consulted. The Prime Minister suggested that with regard to the St. Lawrence waterways there was a possibility that before final arrangements were completed a treaty would have to be made between Canada and the United States, and that then the treaty would come before parliament, and he added that in any case parliament had the right to revoke the action taken by the cabinet. I would suggest that if that is true to any extent in regard to the St. Lawrence waterways it should be true with regard to all the other great natural resources. As my hon. friend from Bow River pointed out this afternoon in another debate, it is undoubtedly true that if parliament has the ability to decide after the harm has been done, parliament should have the ability to decide before there is any possibility of harm. Corrupt practices may be shown in the giving away of natural resources, but in the meantime the natural resources are gone, and if the contention of the leader of the opposition is correct, they are gone forever. Personally I want to protest against that interpretation; I take it that if through the incompetence or corruption of any government body the welfare of the general public

suffers, we should have some way of holding that government responsible and regaining for the people what otherwise would be lost. The present situation is simply intolerable. Several years ago the Minister of the Interior (Mr. Stewart) stated that he was quite willing to concede this principle with regard to our national parks. If I am not mistaken he introduced a bill along that line, which was afterwards withdrawn, and he stated that he was willing that no disposal should be made of any portion of the national parks without reference to parliament.

With regard to the natural resources which at present are held in trust by this parliament for the western provinces, shortly before prorogation last session the leader of the opposition said:

> My submission is that since we hold these resources, that is, they are the property of the crown in the right of the Dominion, in trust for the crown in the right of the several provinces, we should not as an executive act or as a pure matter of administration part with so valuable a resource as a power site which is of such inestimable value to the people of the country, without the approval of this parliament.

I heartily agree with that statement, and I have brought in this resolution in order that parliament might put its seal upon that contention. The Prime Minister of this country took the stand only this afternoon that treaties should be subject to ratification by parliament. He said that parliament had certain control over the St. Lawrence by reason of the provisions of the Navigable Waters Protection Act. If treaties should be subject to ratification by parliament, why not this question of the disposal of our natural resources? If the government takes the stand—what I regard as an essential of the Liberal doctrine—of consulting parliament with regard to treaties, it seems to me they would be only consistent if they took the same position with regard to important matters such as the disposal of our great waterways and other natural resources.

Someone may raise the practical objection that my resolution is too broad; that it might be very difficult for parliament to revise many of the small transactions which pass through the department in the course of the year. For example, there are the homestead patents, leases and matters of that kind. I suggest that there is no reason why the Minister of the Interior (Mr. Stewart) could not lay upon the table of the house at the beginning of parliament a report showing the arrangements his department had made during the preceding year with regard to natural resources. In the general run of cases these would pass as mere routine and no one would question them, but it would afford parliament the opportunity of checking any case in which there was any suspicion that there had been crooked dealing or that parliament thought might not be in the general interest. These grants could be given to the various people with the understanding that there would be no vested interest until parliament had decided the matter. As I say, it would only be in the exceptional case that any action would be taken by parliament. I am not concerned with these little matters of administration; I am referring to some of those resources which are of unestimable value to Canada.

I might as well be frank and say what induced me to bring forward this resolution—it was the power situation. This is not a matter confined to Canada alone. Mr. Gifford Pinchot recently has published a pamphlet entitled The Power monopoly, from which I will read the following extracts:

> On June 30, 1927, 4,196 operating power companies were doing business in the United States. Of these, 3,108—more than three-quarters—were controlled by 41 holding companies. These companies produced 82 per cent of the electric current generated in the United States.

And again:

> This means that 35 out of the 41 power companies are controlled by six allied groups. These 35 produce just under two-thirds of the current generated in the United States.

And further along in the article:

> Such domination is almost incredible, but there is more to come. For the General Electric-Insul-Morgan-Mellon-Byllesby-Doherty group is for all practical purposes united into a single six-sided power monopoly.
>
> It is united through the Joint Committee of Public Utilities, through the power lobby which infests Washington, and in many other ways.
>
> The "big six" concerns, Mr. Pinchot shows, are capitalized at around eight billion dollars; and of this, he declares that at least three billions are "water", purer than any which goes through a turbine. Courts allow utilities 7 per cent return. Seven per cent on $3,000,000,000 means $210,000,000 per year.

The article concludes:

> We have seen the electric monopoly pick out state governments. We have seen it crack its whip over state assemblies. We have seen it with stupid arrogance and boldness corrupt elections, and attempt to buy a seat in the United States senate. We have seen it attempt to compel the senate to deliver that purchased seat.
>
> Do we care enough about the future of America to save it from a private super-state of electric power giants?

That is the situation in the United States. The revelations before the federal trade com-

mission have shown that this great power organization has been bounded by no limit in carrying on its propaganda. It has gotten into the schools and universities, purchased newspapers, and so on. We have a power trust here in Canada and we might learn something of its nature and activities from what has been going on in the United States.

I should like to refer briefly to the granting of a license by the present administration covering the Seven Sisters falls. I need not remind this house that the city of Winnipeg has an important hydro-electric development. Power is very cheap in our city; we are able to use a great variety of household appliances at reasonable cost. We have a great central heating plant which heats a large number of the downtown blocks in the city. We are proud of our hydro, but we have had a constant struggle against the private interests who have sought to undermine the splendid position which the municipal hydro has been able to attain. On August 31, 1925, the city council passed the following resolution with regard to the Seven Sisters falls:

That the resolution passed by the committee on finance at its last meeting protesting against granting lease of Seven Sisters falls power site on the Winnipeg river to the Backus-Seaman interests, and the action of the committee in sending the city solicitor to Ottawa be approved and endorsed.

That resolution was carried unanimously. That was in 1925, but the private interests were at work, and although the Backus-Seaman interests were defeated other private interests were able to secure such influence over the city council that two or three years later that body was in favour of the Winnipeg Electric Company's proposal. Further than that, these power interests have obtained very great influence over the provincial parliament. The following resolution was passed in 1927 by the legislature of Manitoba:

Therefore, be it resolved, that in the opinion of the house, the government should press for the immediate granting by the federal government, all rights to the Seven Sisters falls, situate on the Winnipeg river, said site to be held by the government on behalf of the province of Manitoba.

I would take it that that resolution of the provincial parliament is essentially an instruction to the government of that province to hold those falls for the people of the province of Manitoba. Despite that resolution, which has never been rescinded, this government granted the Seven Sisters falls power site to a private corporation merely on the request of the executive of Manitoba.

Our most persistent and unscrupulous opponent in Winnipeg has been the Winnipeg Electric Railway Company. Its representatives have gradually been placed on every public board; it has secured, as I have said, a majority on the city council, and it has gradually obtained a very strong influence over the Bracken government. How that influence has been secured is now being investigated by a royal commission.

Further than that, to a considerable extent this same private company has been able to dominate, I will not say the board of trade proper, but at least the council of the board of trade. For example, when the Manitoba members of the federal house last year protested against the giving of the site of the Seven Sisters falls to a private corporation, this is what the council had the assurance to say:

That this council deprecates and hereby protests against the attempted assumption of responsibility by a group of representatives to the federal house in their attempt to seize the administration of the resources of this province and to exercise the power of veto over the acts of those hitherto responsible to the province and the people.

Now we find, without going into that matter any more fully, that the same private interest, the Winnipeg Electric Railway Company, has actually contributed to the campaign funds, not only of the Bracken government but of the other political parties as well. When the question of the disposal of the Seven Sisters falls was raised in the Manitoba legislature last year, the premier declared that no agreement had been reached. Yet within a few days of prorogation of the house he had relinquished the provincial claims in favour of the Winnipeg Electric, and as a matter of fact evidence shows that the draft agreement was in his desk all the time.

The situation that faced the Manitoba members last spring was this: if the Seven Sisters falls went to the Winnipeg Electric, the public would then have on the Winnipeg river only 228,000 horse-power, while private interests would have 530,000 horse-power. In the tentative agreement 200,000 horse-power would go to the company and only 30,000 to the province. There was no provision for the city. A heavy investment on the part of the citizens was at stake. Within six years the city would need to look for more power and there would be no likely development even for the rural districts. The Minister of the Interior (Mr. Stewart) asked the opinion of the Manitoba members of the house with regard to policy, and he stated definitely to us again and again that he would be guided by the opinion of the Man-

itoba members. The Manitoba members, after meeting together, there being thirteen in the group, drew up a resolution in the form of a letter to Mr. Stewart, which they passed nine to four, and which is as follows:

The federal members, representing the province of Manitoba, have had before them the question of the disposal of the power of the Winnipeg river at Seven Sisters Falls for some time, and after thoroughly going into the matter, beg to advise that their recommendation in connection with same is as follows:

1. That the site be not disposed of but that the matter be held in abeyance until the close of the next session of the provincial legislature for the purpose of giving the legislature of the province of Manitoba an opportunity to express its opinion in connection with the disposal of the said site or the development of it by the province of Manitoba.

2. That the said interval would afford the city of Winnipeg an opportunity to take a referendum vote on the question as to whether the said city desires to develop the power at said site in connection with their present hydro-electric system.

3. That in the event of the province of Manitoba deciding to develop the said power as a provincial undertaking, that they be given said right upon request.

4. That in the event of the province of Manitoba deciding not to develop the said site and the city of Winnipeg having reached a decision to develop same, that the city be given the opportunity of developing said power on such terms as may be satisfactory to the government of the province of Manitoba.

5. That in the event of neither the province of Manitoba nor the city of Winnipeg wishing to develop said site that the present applicant, the Winnipeg Electric Railway Company, be given priority to any other private corporation to develop same, subject to the usual restrictions and conditions imposed by your department and on such additional terms as may be asked for by the province of Manitoba in reference to any proposed lease or agreement to be entered into by the said company with the Dominion of Canada or the province of Manitoba.

Thus we had a promise given privately to that group by the Minister of the Interior. Further, on June 6 the leader of the opposition (Mr. Bennett) asked a question across the floor of the house as to what was going to be done with regard to the Seven Sisters falls. He said:

I suggest that. . . that no water powers in western Canada will be alienated without the approval of parliament; because no other action will meet the situation adequately at this time.

The Minister of the Interior replied:

I quite appreciate the protection given a minister in securing the consent of parliament to any question which involves such an important decision as that of the disposal of 300,000 horse power, but I do say that Manitoba has been the storm centre ever since I came to this government. . . . and now a very grave difference of opinion exists with respect to the disposition of the Seven Sisters falls. Listen:

I may assure my hon. friend that until that difference of opinion is settled I am not going to issue any license for that water power. I think I may assure my hon. friend of that.

In July a conference was held between the federal government and the Manitoba government with regard to the natural resources, and at that conference it was agreed that in dealing with the natural resources the Dominion government should be guided by the Manitoba government. That is the very point at issue. Whether the Minister of the Interior was present on the last day or not; whether he was favourable or the reverse; whoever was responsible for the insertion of clause 6 of that agreement; whether the Seven Sisters falls was formally or only implicitly included—what do these things matter? The Minister of the Interior, as a responsible minister, had solemnly given his word to the Manitoba members of the House of Commons that no such action would be taken, and I submit that we cannot, as members of the house, allow that kind of thing to pass unchallenged. Either the word of a minister is sacred and that minister speaks on behalf of the cabinet or else the idea of cabinet solidarity and of the honour of this house becomes a thing of the past. Personally the very first definite intimation I had of the changed situation was through a wire sent to me on September 6, as follows:

In accordance with July agreement with Manitoba government have at their request prepared interim license of Seven Sisters falls to Northwestern Power Company. Have embodied in license every condition that I can think of to safeguard public interests. Attwood has full particulars. Expect final consideration will be given by council Saturday, September 8.

Charles Stewart.

I had heard nothing whatever from Mr. Stewart since July 6, and I was told on September 6 that final action would be taken two days afterwards. I immediately wired the Minister of the Interior as follows:

July agreement as interpreted your wire sixth is absolute violation of your solemn assurance for which independents will hold the government responsible. Suggest Prime Minister be advised.

This is the wire which I received in response from the Minister of the Interior:

Your wire seventh. Have taken every precaution to carry out my promise to federal members, even to extent of going to Winnipeg and interviewing them on two occasions. Regret you were not available. Prime Minister has been fully informed.

Not available! I was at any time as available by letter or by wire as I was on

September 6. Not the slightest effort was made to reach me personally, and if an effort was made to interview some of the other members, I understand the majority of the other members stood precisely where they stood in June when the minister definitely assured us that no action would be taken.

I should like to read extracts from a very strong editorial which appeared in the Ottawa Citizen at the time of the disposal of the Seven Sisters falls. It was entitled The Common and the Goose. It reads:

Fortunes have been made by people on the inside in politics in just such transactions as the alienation of Seven Sisters falls from the public domain. Some people knew that the government had committed itself to this latest measure of special privilege for the benefit of private power interests. They bought stock in the Winnipeg Electric Company knowing that when the order in council went through to hand over the falls, estimated to be worth $28,000,000, the value of the stock would rise.

Again:

There would have been little prospect of getting the approval of parliament to hand over Seven Sisters falls in Manitoba to privileged interests. Hence the haste of the conspirators—

Mark the word:

—to put through the deal by order in council before the provincial legislature or the Dominion parliament could intervene. Premier Bracken waited until the session of the Manitoba legislature had ended before allowing it to be publicly known that he had made an agreement to waive the right of the province to develop the power at Seven Sisters falls. He knew the difficulty of having to defend an indefensible transaction in the legislature.

When the agents of special privilege came to Ottawa last spring, to instruct—

Again, mark the word:

—to instruct this government about transferring the power site they found themselves confronted with the strong opposition of federal members of parliament from Manitoba. In the face of this opposition the government found it expedient to postpone the transaction. The responsible minister at the head of the Department of the Interior, Mr. Stewart, gave the house to understand that no precipitate action would be taken by the government. The Manitoba federal members urged, as did the leader of the opposition, Mr. Bennett, that the provincial legislature be given the opportunity to pass upon any proposed alienation of natural resources before the federal government allowed the Falls to pass from public control. Parliament prorogued with Mr. Stewart's assurance to Mr. Bennett in the House of Commons last June as follows:

"A very grave difference of opinion exists with respect to the disposition of the Seven Sisters falls. I may assure my hon. friend that until that difference of opinion is settled I am not going to issue any license for that water power. I think I may assure my hon. friend of that."

[Mr. Woodsworth.]

Again:

As with the Bracken administration, however, influences have operated in Ottawa to bring the Dominion cabinet into line with the requirements of special privilege.

I ask, what influences have operated here in Ottawa? We are learning what operated in Winnipeg, where there is a royal commission which is taking evidence, but I ask, what influences operated in Ottawa It goes on:

The expedient of the order in council between sessions has been used once again to allow alienation of the natural resources of Canada.

The editorial concludes:

Someone has written a rhyme about stealing the goose from the common. In ancient times such theft incurred heavy punishment. In modern times it would still be punished; but the modern method is to steal the common from the goose—by order in council. The people of Canada are no longer such easy geese to handle, however. The stealing of the common is becoming a risky business politically, as it should be.

The question arises, what were these influences at Ottawa that were potent enough to cause the Minister of the Interior to disregard his promises made to the Manitoba members of this house, and further, for the cabinet to risk a great deal politically by taking the action that they did?

The Winnipeg Electric Company is simply one unit in a much larger concern—the Power Corporation of Canada, Limited. According to the last report of this organization, there was an increase in gross and net earnings over the preceding period of over 150 per cent, and the equivalent of $5.67 a share on the outstanding common stock as against $2.77 a share for the 1926-1927 fiscal year. The statement for the twelve months ended June 30, 1928 reflects the wide expansion achieved by this holding company. Gross earnings for the year under review, it is significant, were almost seven times those for the year ended June 30, 1926.

Power Corporation of Canada, Limited, holds a substantial interest in the bonds and shares of the following public utilities:

Canada Northern Power Corporation, British Columbia Power Corporation, Winnipeg Electric Co., Southern Canada Power Co., Ltd., International Utilities Corporation, Dominion Power and Transmission Company, Limited; Consolidated Gas Company of New York; Foreign Power Securities Corpn., Ltd.; East Kootenay Power Company, Ltd.; Manitoba Power Company Ltd.; Brazilian Traction, Light and Power Company, Ltd.; Shawinigan Water and Power Company; Montreal Island Power Company Northwestern Utilities Ltd., Bathurst Power and Paper Company, Ltd.; Canada Power and Paper Corpn., Public Service Corporation of New Jersey, Tokio Electric Light Company, Electric Investors, Atlas Light and

Power Company (England), Gatineau Power Company, Ottawa Light, Heat and Power Company, Ltd.

If I had time to read the names of the directors of all these corporations, I think we would begin to see how powerful a combination we poor Manitoba members were really up against. The other day, as late as February 8, Mr. Nesbitt declared that the power companies in which the Power Corporation of Canada, Limited, of which company he is the president, was interested or controlled, had a development program on hand of more than fifty million dollars. I submit, Mr. Speaker, that when a great corporation has a development program of fifty million dollars, those connected with it are not going to allow a few hundred thousand dollars stand in the way of accomplishing their purpose. We are learning a little about how the deal was worked in Winnipeg, and I think before this house prorogues we shall have to learn how the deal was worked at Ottawa.

You may say that such a resolution as mine is locking the door after the horse is stolen. That is true, but there are still other horses in the stable, and instead of attempting at this moment to challenge the government, I would rather put before the house this resolution, the adoption of which would lead to definite constructive action. I am not so much concerned with the politics of the situation as I am with conserving the resources of this country. After the exhibition that we have had with regard to the alienation of the Seven Sisters falls site, it does seem to me that we should see to it now that nothing of this kind occurs in the future, and so I have moved in the resolution which is before the house:

> That in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

Let the government proceed, as the Prime Minister suggested, with their negotiations. Let them call in experts; I am not suggesting that they should not, because the government is best fitted to do that. But when great public policies of this kind are to be decided they should be decided not by the government alone. They ought to be submitted to parliament for its ratification. Important transactions of this kind involving millions of dollars ought not to be left entirely in the hands of an administration. With such a procedure there is room for corruption. I am not charging corruption, but I say there is every opportunity for corruption, and the fact that we have had corruption in Winnipeg at least makes one suspicious that Winnipeg may not be an isolated case in this regard.

And what about the stolen horse? As far as I am concerned, it seems to me that it would be an intolerable situation indeed if this power site could be given away under what were essentially false pretences, under representations that were not correct. The Manitoba government did not really represent the will of the people of Manitoba; the people had spoken in that resolution in parliament a year or two previously, and there is not much doubt where the people of Manitoba stand to-day. This government gave away these resources under those conditions, and in spite of solemn promises given to this house. Because that is done we are told, the transaction is concluded, and we cannot recover. I think it is impossible that such should be the case. The Dominion parliament is a trustee for those natural resources, and cannot divest itself of all its attendant responsibilities as it has attempted to do. We must hold the Dominion government responsible for those natural resources until such time as they are formally turned over to the western provinces.

If parliament can annul certain arrangements made by order in council in matters affecting the St. Lawrence, surely parliament, as the supreme body in this country, is able to annul arrangements made under the conditions which prevailed in the city of Winnipeg at the time this lease was granted.

Last year when this matter was being dealt with I ventured to warn the Prime Minister that if these resources were given away it would involve serious political consequences in the west. The Prime Minister, perhaps rightly, sought the advice of his colleagues and took no action to prevent the granting of the lease. I venture to utter another warning to the Prime Minister to-day, that there will be still more serious political consequences if under these circumstances there is not some action on the part of the federal government in dissociating itself from the corruption that has been revealed in Manitoba by cancelling this lease and restoring to the people of Manitoba the water-powers that belong to them as part of their natural resources.

Mr. T. W. BIRD (Nelson): Mr. Speaker, I wish to support the motion of the hon. gentleman who has just taken his seat (Mr. Woodsworth). Perhaps it will be interesting to the house if I quote the epigram to which he has referred in regard to the common and the goose. It is a piece of old English wit that goes back many centuries to the time when the landlords were enclosing the commons. It runs like this:

> It is bad enough in man or woman
> To steal the goose from off the common;
> But surely he is without excuse
> Who steals the common from the goose.

The process of stealing the common from the goose is going on apace in this country. In Manitoba during the last twelve months we have lost one of our most valuable public possessions and neither this parliament nor the legislature of Manitoba were able to make a protest or institute an investigation until the common had been taken away from the goose.

Now, Mr. Speaker, I submit that for any government, no matter whether Dominion or provincial, to give away our natural wealth by order in council is a ursurpation of the proper functions of parliament. Why not tax by order in council—why not increase the income tax by order in council; why not increase the tariff by order in council? Why not sign treaties by order in council? Why not legislate by order in council? Why not hand government over to some Mussolini without condescending to call together the representatives of the people? There is no logic or justice in the procedure whatsoever. Why, what is the difference between depriving the people of their property by taxation and depriving them by alienating their natural wealth? There is absolutely no difference in principle. Yet in the one case our whole parliamentary system has been built up on the basis of shielding the people from arbitrary taxation. In the other case, right up to the present time, cabinets in the dim seclusion of the council chamber can give away the people's wealth to the value of hundreds of millions of dollars.

It is a long time since governments attempted to tax the people by order in council. When Charles Stuart—I mean King Charles Stuart—levied ship money by order in council, it led to a case of amputation in a very short time. I do not want to see the present Charles Stewart suffer anything like the same fate, but there is an execution impending in the province of Manitoba. Surely we are of the same Anglo-Saxon stock; surely the same blood runs in our veins as ran in the veins of Pym and Hampden; surely we are not going to suffer our wealth to be frittered away by a committee of parliament in the recesses of the council chamber without having the opportunity to utter one word of protest.

It may have been a very harmless practice years ago before the people of Canada awakened to a sense of the vast importance of their natural wealth. When a water-power was just a matter of scenic beauty, when an oil field was just a potential sheep pasture, and a pulp forest a muskeg, it did not matter very much whether our natural resources were administered in one way or the other, there was nothing very serious implicated; but in recent years, particularly since the war, our natural resources have assumed a value that our grandfathers could not have imagined. We have come to a sense of our advantages as a country. Our national pride is constantly appealed to on the basis of the wonderful wealth that lies to our hands. Moreover, in every farm home, in every labourer's cottage, this sense of our common wealth has raised visions of a higher standard of Canadian life accessible to all, visions of the burden of taxation lifted, visions of domestic drudgery taken away. These visions have arisen in the minds of the men and women of Canada, and I say to this government or to any government, they are risking their very existence by tampering with this God-given wealth which belongs to the ten millions of people of Canada, and not to any government or privileged few. It is the business of governments to see that those visions are materialized, to see that these water-powers, with all this hidden wealth of forest and mine are somehow diverted into the lives of the common people, and not frittered away by unseen and secret methods to the money lords of this country and of the United States. Stripped of its traditional dignity, the government is but a committee of parliament; and I say that parliament is playing with fire when it allows governments to give away secretly the natural wealth of this country. By so doing it is creating forces and setting up influences which some day will turn and enslave parliament itself, if indeed they are not already doing so.

The nearest parallel to what is going on in Canada which I can find anywhere in history occurred about the time that little rhyme originated about four hundred years ago. The people of merrie England in the sixteenth century, in pre-Elizabethan times, owned the commons; an illimitable expanse of fertile land belonged to the inhabitants of England. But at that time the landlords began to absorb that natural resource; they began to fence it in and acquire it. Hence arose the saying that the commons were being taken away from the goose. That was four hundred years ago. As one in whom English blood runs more or less completely, I am always proud to think of old Bob Ket and his brother Bill, who in the sixteenth century rose up in their township of Wymondham in Norfolk, England, and protested against parliament allowing the landlords to absorb the commons. I can picture Bob Ket pulling

down the fences of Sergeant Flowerdew. I can imagine his taking his sixteen thousand tatterdemalions to Mousehold Heath.

Years ago I stood on the very place, of which the immortal Borrow said, "There's a wind on the heath, brother". And there was more than a wind on the heath; there was something more spiritual than the wind that blew. There was something that had been agitated centuries back, and which all down the centuries had its influence on East Anglia. That is the neighbourhood where Cromwell got his Ironsides to withstand Charles Stuart; and even to this day you can find the influence of Bob Ket working in Norfolk and Suffolk in England, because they dared four centuries ago to stand up against the encroachments of landlordism. The historian Pollock says that these men were all of very simple spirit, religious minded people, and in the manifesto which they made out they told the people of England that they regarded the enclosure of common lands as theft from the community; and they innocently considered that the gifts of God in nature belonged equally to the peasant as to the landlord. That is what these humble people meant in their rebellion four hundred years ago. And they were not left to stand alone. Poor and ragged and simple though they were, we are told that the famous Bishop Latimer stood up and said on their behalf, "These landlords are enclosers, grabbers, rent raisers"; and he told his congregation that there was more cruelty, injustice, and pride in the landlords of his day than among the inhabitants of Nebo. I sometimes listen to the modern pulpit, and I think it would be a good thing if it came out of the vacuum which it has created around itself and addressed itself to some of these injustices which obtain in our time, as Bishop Latimer as well as the Roman Catholic clergy and laymen did in their time. In this way the blight of landlordism settled in England and on English institutions and government for the next three hundred years. There was a period of three hundred years of sterility for the common people of England because landlordism was clamped upon the country as we have seen.

Now to-day we are passing through a parallel process. Moneylordism is foisting itself on our free institutions in this country. As president Wilson said some years ago, there has risen up behind the forms of democracy an invisible government; it is the government of money kings, who seek privileges from parliament, whose cupidity has been stirred by the vast natural resources of the country, and who have been encouraged by the servility of governments—encouraged by our system, whereby grants of our natural resources do not come up for consideration by the people's representatives but are passed upon in the secrecy of the cabinet council. I say it is a serious thing for parliament. Parliaments, provincial and Dominion, are creating influences which some day will have them completely in possession, if they have not them in possession at the present time.

Discussion in parliament is the only means by which we can create a healthy public opinion on any question. True, discussion in parliament is not a perfect piece of procedure; we are all guilty at one time or another of indulging in talk which is unprofitable. We all do our best, and we have the best of intentions, but we sometimes waste time and bring this institution into momentary contempt. Nevertheless it is on the floor of the house that public opinion is moulded, if it is moulded at all, in the interest of the people. Oh, you will say, what about the press? What about all the agencies that are at work to build up an enlightened and intelligent public capable of taking care of its own concerns? Surely, it will be said, people do not depend upon parliament so much as they used to. Well, let me tell you of an experience we had in Manitoba with the press in connection with the Seven Sisters falls. In Manitoba we have a great newspaper which laughingly calls itself free. Not Mr. Bracken, but the Free Press is the guilty party. That great newspaper, which has insinuated its way into the confidence of the people in the last few years, and not altogether unworthily, is responsible to-day for Manitoba having lost its most valuable natural resource. Without the Free Press Mr. Bracken would not have had one printed word of support. The Grain Growers Guide, now called the Country Guide, refused to say a word in support of him—one of the most significant things you could think of. But the Free Press, the organ of light and liberty, immediately got behind Mr. Bracken the moment they saw that Mr. Bracken was getgetting behind the Winnipeg electric. The editor of that great journal is a big man with a big brain, which he does not always use fairly and squarely. This gentleman who in his editorials talks in imitation of a Greek oracle; this Manitoba king maker and king-breaker—and I say that almost literally, because I think he would have broken Mackenzie King two or three years ago if he could, and when he found he could not do so he filled his editorials with all the fulsome terms he could get out of the

dictionary—this potentate in Manitoba, with his million dollar press, rides rough shod over every humble expression of opinion in Manitoba differing from his own. A short time ago at a farmers' convention I dared criticize the Free Press, in my humble way; immediately the million dollar mechanism started working and crushed the life out of poor me. That is what we are up against in Manitoba, a paper which has worked its way into the hearts of the people largely through its own advocacy, but when the people's rights are in the balance it flings itself on the side of the interests.

You say the press is a noble organ of public opinion; we cannot believe that in Manitoba. We leaned on a broken reed and it entered our hands. Like most Manitobans I used to put the Free Press next the Bible and Eaton's catalogue, and thought I was safe both for here and the hereafter. I no longer look at the Free Press in that light; I look on it as the seller of the people's property in Manitoba. Mr. John Bracken was like a fly on the chariot wheel, and the Free Press was the chariot. I honour and respect our journalists, but these joint-stock companies with no conscience cannot be trusted with public opinion. This is the only place to mould public opinion, but we do not get a chance to do so. If we do not try to mould public opinion here; if we do not here try to bring our people to a sense of the value of what is theirs, there are other people on the outside who are doing their utmost to mislead the people.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) has mentioned the power trust in the United States. A year ago this month the United States senate began an inquiry into the power trust of that country, and I have here some clippings taken at random, of which I will read only one from the Northwestern Christian Advocate:

> The public utilities people have begun a practice which may become a menacing educational custom. According to facts recently brought to light by the federal trade commission, the utility interests have a huge financial interest in opposing the idea of government ownership. And they have gone at the business of opposing it with system, thoroughness and all the money they need.
>
> They have paid out, in the last three years, a million a year to oppose government ownership—and how? By paying fees to men supposed to be impartial. By contributing, $30,000 to the General Federation of Women's Clubs for a "survey". By cooperating, financially and otherwise, with text-book writers, so as to get "bad books"—that is, books favourable to public ownership—out of high schools and colleges, and "good books" in.
>
> And by contributing sums large and small to colleges and universities for reports, lectures and inferentially for classroom instruction, on the merits of private, and the evils of public, ownership of public utilities.

Then I will add a little extract from a speech by Senator Norris, who said:

> Recent developments by the federal trade commission have shown that there is a giant monopoly in the generation and distribution of electric current, gradually spreading itself over the entire country.
>
> It has entered our schools and our homes. It has been working silently and stealthily to poison the minds of our school children. It has entered into the politics of the country from the school district to the White House. It has undertaken to buy seats in the United States Senate. It has made an attempt to control all the avenues of publicity.
>
> It has even reached its fingers into the church and undertaken to subsidize the men who preach to us from the pulpit on the Sabbath day.

All this came from an official investigation which took place less than a year ago. Organs such as the Free Press will say that we are not like that in Canada, that there is no earthly possibility that the stamp of men we have in Canada will permit that sort of thing to happen. My faith in Canadians is very deep and sincere, but I think we are of no different clay from our brethern to the south; I believe we are just as susceptible to the almighty power of massed dollars as they are. As soon as it is worth while for the power trusts in that country and this—there is no difference between them— to poison the wells of knowledge and shape the plastic minds of our children to their own doctrines of private ownership and private greed they will do so. There is nothing here which we can do to prevent it; we have denied ourselves the means of preventing it and have closed up the only means of counteracting that poisonous propaganda.

A motion of this kind is highly reasonable; to permit this state of affairs to continue is not good for the people and is not good for the government. There is not one of us here who is not sorry for what has happened in Manitoba; that kind of happening cannot be good for Canada, when governments get trapped in that way and are held up to the contempt of their opponents and of public opinion generally. That cannot be good for Canada, but what was the vicious source of this sort of thing? It lay simply in this outworn system of disposing of our natural resources in the secrecy of a cabinet council. We did think Mr. Bracken sufficiently enlightened so that nothing would prevent him from consulting the people, but he stooped to tradition; he said, "No, this thing is our prerogative and we will settle it behind closed

doors. The people of Manitoba and the people of Canada have no right to look in or protest." I think it most remarkable that Mr. Bracken and his colleagues should have absolutely ignored his friends in this house who, from the very beginning of last session, long before we knew what his policy was, set our hands against this transaction. Petitions were sent to the Minister of the Interior asking that these falls be retained for the public, yet Mr. Bracken and his colleagues went on with their secret negotiations with the Winnipeg Electric Company as though the representatives here did not exist or, if they did exist, their opinions were not worth while. These things discourage and astonish me; one sometimes wonders whether there is a spark of hope for any progress in our public life at all.

In conclusion, Mr. Speaker, I know it will be said of the last speaker and myself that we display a regrettable suspiciousness in regard to our fellow human beings. That has been said already this session; I recall a reference made with regard to the hon. member for Macleod (Mr. Coote) by the leader of the opposition (Mr. Bennett), who said:

> When my hon. friend suggests that the time may come when the banks will have been reduced in number to one, I say that he shows little confidence, little faith in the integrity of the public men of this country in believing that there could ever sit in the great office of Minister of Finance any man who would countenance an amalgamation or a merger unless it were in the interests of the depositors and to prevent raids upon the public treasury.

That utterance of the leader of the opposition was dictated, as I judge, purely by his inborn disposition to preach sermons to other people. Where else did that criticism arise? Here is a gentleman who is drawing a salary to criticize the government; the very logic of his position is that the government cannot be trusted in the way he says it ought to be: Where else can criticism of the government come from except from the official opposition? That is rightly so; but why should we be marked when we express distrust of the government? Is that not the very basis of the development of our British institutions? Do not public men accept it that their whole conduct will be submitted to the clear light of reason? Surely they do; that is the foundation of our parliamentary system. When I seem to cast doubt upon the Bracken government, or upon this government, I must say that I rather hesitate. It is not a popular thing to do, especially with the governments that have been criticized. But on the other hand, here are the people of Manitoba whom I must put in the balance against those who have arrogated to themselves the right to dispose of the people's natural wealth. It may be against my disposition to cast unjustifiable reflections upon the government, or upon the Minister of the Interior, and I do not go as far as the hon. member for Winnipeg North Centre (Mr. Woodsworth) went. The Minister of the Interior did say to us quite plainly, before we left for home last session, that he could not hold up this matter until the Manitoba legislature met; he was very frank about that. But if I did not misunderstand him, and there is always the possibility that I might have—I can confirm what I am saying by my own diary, and his words in the house seem to confirm it—he said that before anything was done the members for Manitoba would be consulted. As I say, there may have been misunderstanding, and it is a very critical situation in which to make a mistake, but if the Minister of the Interior draws upon himself widespread suspicion he cannot blame those who are the instruments of diverting it upon him; he can blame only himself for the inconsecutive way in which he carried on his negotiations with us. We representatives of Manitoba had a natural right to expect that he would consult us, not personally but with respect to the position we hold as federal members for Manitoba. We all signed a round robin on the 4th of February last saying that the Seven Sisters falls must be kept for the people of Manitoba, and not one Manitoba member withheld his name from that document.

Mr. HOWDEN: I was not in Ottawa at the time and I do not think my name was on that.

Mr. BIRD: We can put this beyond peradventure, because we have the round robin upstairs. I made that statement believing that all our names were on it. But as the months passed on—not years: if it had been years one could have made great allowances because over a stretch of years minds can change a little—some of the staunch public ownership men began to think that after all perhaps they had been mistaken and had signed that petition under false pretences and did not know what they were signing with respect to the Seven Sisters falls.

Mr. THORSON: What document was the hon. member referring to a moment ago?

Mr. BIRD: If I am not mistaken, it was handed around this house about February 4, long before I knew that Mr. Bracken had any policy at all on the Seven Sisters falls. I learned subsequently that Mr. Bracken did have a policy, and so did other gentlemen

from Manitoba. Somehow or other we in Manitoba, having started a party of a new brand, having originated a political party which was going to be beyond suspicion—

Mr. HOWDEN: I wish to withdraw my previous statement: I had reference to another document.

Mr. BIRD: I think I can state to the house that I very rarely make statements unless I am sure of their truth; I always do the house the honour of addressing it only when I am fairly well prepared.

As I said, we started out in Manitoba on new lines, as we thought, politically. I am almost ashamed of the number of platforms on which I stood and said, "here is the real thing in party politics." I think I was the only federal member in Manitoba who supported the Bracken government last year. I think I was the only federal member who went out and stood four-square for Mr. Bracken. What had I to say for Mr. Bracken and his government? I said, "here are men who do not say one thing and do another." I said that on every platform in my constituency, and I have made everlasting enemies of some of my supporters.

This is a serious situation, not only for me but for all those who believe that the pursuit of idealism is possible in public life, who believe there can be found an aggregation of men who will go to the country and say, "Here is what we will do if we get into power,"—and mean it. That is the message we had from Vancouver to Halifax in 1921. Mr. Crerar carried the banner of pure politics from one end of the country to the other, and he found an echo in thousands of hearts. But the people now ask if this is the same government they supported in 1922, the government that pledged itself to retain the water-powers for public ownership and then turned around and deliberately handed them over to private interests in a secret session.

It is not an easy matter for me to say the things I have said in the last few sentences, because I have committed myself in the last few years to the notion that idealism is possible in all the ramifications of public life. Some of us have not come into politics of our own intiative: we came from walks of life where we had no ambitions whatsoever, and we were brought into public life with the thought that the avocation we had been following would somehow be a guarantee that through all our public career we would stand four-square for idealism in public life. But how are we going to hold up our heads again when we remember what has happened in Manitoba during the last few months? How are we going to go on the platforms in our constituencies and face the finger of scorn from every quarter? All these petty things do not count much with the rising generation in the west. It was appealed to in 1922 in Manitoba, not respecting things of petty policy but as regards things that lay deeper down than political policies. Some of us have been called Don Quixotes, and I do not accept that altogether as a criticism; I have gladly tilted at windmills during the last twelve months, especially in my own constituency. Men who were my strong friends, went on one side while I was on the other. The past president of my own political organization to-night is on one side with private ownership, and I with public ownership. Who is to blame? We say: the Bracken government. I have said: the Free Press. I do not know perhaps whether we are justified in saying this or that, but some weakness has crept in somewhere. There has been some blurring of those clean-cut ideas with which some of us came here a few years ago. There has been some giving way, some unconscious forsaking of things we stood for then. I say it with sorrow more than with anger, that somehow or another I have the feeling of being forsaken, not only by the Manitoba government, but in a measure by the federal government, although the federal government, as far as I know, never committed itself to public ownership, and to that extent perhaps, it escapes criticism.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I have listened with a good deal of interest to the speeches of the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the hon. member for Nelson (Mr. Bird) with respect to the motion that they have brought before the house. Anyone who has followed their remarks with any care whatever will note that the whole attack they lodge against the issuing of a license to the Northwestern Power Company is on the basis of their theory that only public ownership should be given consideration. They have said not one word about the contract itself or whether in their opinion the contract is in the interests of the people. They have contented themselves simply with the statement that so far as they are concerned they are against any contract, any arrangement that is not carried out by the government itself or by some municipal corporation.

Mr. WOODSWORTH: May I ask the Minister of the Interior to quote one paragraph of mine that lends any colour whatever to such a statement?

Mr. STEWART (Edmonton): I am certainly entitled to my opinion. I followed the hon. gentleman very carefully and I have yet to hear him make one complaint other than that he is opposed in toto to private ownership.

Mr. WOODSWORTH: I said nothing whatever about being opposed to private ownership.

Mr. STEWART (Edmonton): I must be given the right to my opinion about what my hon. friend has said. He may have his.

Mr. WOODSWORTH: Hansard will show.

Mr. STEWART (Edmonton): I may be able, as I proceed, to show that what I say is correct. I propose to discuss the contract; I propose to discuss as well and to show just how impossible the application of a resolution of this character would be to the management and administration of the public domain of Canada that for the time being is under my control. May I recite in the beginning just how much is required of the department and how often we have to exercise our responsibility and, may I say, always under the control of parliament. I have just laid on the table of the house, in accordance with the statute which so requires, a complete resumé of all the acts of our department during the past year. They are under the purview of parliament, and previous governments, previous ministers, made the mistake of not taking the precaution by resolution to have the acts confirmed. We have found ourselves in some difficulty and from time to time we have had to have that remedied. We very frequently have to issue leases for one thing or another. Our sales of school lands are publicly advertised and publicly carried out. Everybody knows about them.

Mr. BENNETT: The statute requires publicity.

Mr. STEWART (Edmonton): Of course. We do not to-day issue a lease for a timber berth without advertising it. The public know all about it, but private parties purchase it. It is true we issue thousands of leases annually for grazing purposes to this individual and the other, without competition, but we do so after we have satisfied ourselves that the applicant is responsible and capable of carrying out his contract. The leader of the opposition (Mr. Bennett) will recollect that for the cancellation of one of them we had to pay a very substantial sum last year. No longer do we dispose of the domain of the crown; it is all under lease which is liable to cancellation and it is all, at present at least, under the control of the Department of the Interior, the leases being issued by this department. There are quartz mining leases, coal mining leases, leases of every character, innumerable. The question is sometimes asked: Why do we need such a large staff to carry on the work of the department? The reason is that there is a tremendous amount of detail in order to keep a record of every one of these leases, to make the collections, and to do all the work necessary to carry out efficiently the various matters under the control of the department. I am not going to dwell on that because I want to devote all the time I can to a discussion of the particular matter brought up by the hon. member for Winnipeg North Centre. I am not one of those who have firm convictions one way or another—

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): Just give me an opportunity to explain. What I mean is that I am not convinced that all the virtue lies in public ownership nor am I convinced that all the virtue lies in private ownership. I occupy a position where I think I have a fair chance to observe the working out of both systems of handling the public domain, or, if you will, the natural resources. Ontario is making a success of hydro; in Quebec, they appear to be making a success of it under private ownership; at least that is the decision of the government and people of Quebec. They are just as convinced they are on the right track in regard to private ownership as are the people of Ontario in regard to public ownership. The same thing applies to British Columbia and to the maritime provinces. Ontario, although it has hydro, is issuing leases for mines, timbers and water powers and is issuing them by order in council just as this government is doing. Under the direction of the Minister of Mines or whatever minister is in charge, the administration of the natural resources of the provinces is being carried out in this particular way. I claim no virtue, but I challenge my hon. friend or any other hon. member to say that I have not consulted to a greater degree in every respect hon. members who represent the various provinces than are private members of any of the provinces consulted about the issuing of leases in their respective provinces. I have always done that and I challenge my hon. friend again to name any lease of any importance that meant any-

thing by way of public interest or was of a considerable extent in any of the three prairie provinces where the provincial government concerned was not consulted, and in the case of the territories where I did not secure as much information as possible on the subject before issuing a lease and before taking any definite stand in the matter.

Mr. WOODSWORTH: All I ask is that parliament be consulted.

Mr. STEWART (Edmonton): Will my hon. friend give me a chance? He has made some rather scathing assertions with respect to my administration, and I propose to deal with them before I get through.

My hon. friend states that in so far as this particular lease is concerned, it should have been preserved in the public interest. May I just rehearse what has happened with respect to this particular lease? My position has never changed; I believe the lease is a good one. I said so to my hon. friend in my office; I said so to him on many occasions, as well as to other members representing the province of Manitoba; I say so still. I believe it is in the public interest, and I will give the house some of my reasons for saying so.

I have nothing to do with the action of the Manitoba government. I do not know anything about it; I do not know anything about what happened to them or why they are in difficulties to-day. I simply make the statement that I have not changed my mind about this lease, and I still believe it is in the public interest.

If my hon. friend will go back some years —I shall not have time to deal with details— he will remember that the Winnipeg Electric Company was established at Pinawa Falls, on a diversion from the Winnipeg river proper. This government has gone to very considerable trouble to secure for the people of Manitoba and for the city of Winnipeg a complete utilization of the power on the Winnipeg river, and that has not been done without a good deal of controversy. It has not been done without having parted me at least from some of my strongest and warmest political friends in that province who differed with me. I shall not have time to cover the whole details of what happened, but many of the older members of this house will remember the controversy about the Norman dam and as to the preservation of the levels of the lake of the Woods, and in respect to storage facilities in lac Seul in Ontario, to assist power development on the Winnipeg river. Hon. members will remember that there was a good deal of controversy about that.

[Mr. H. A. Stewart.]

I do not know anything about the history of the Winnipeg Electric Company. I do not know how they treated the people of Manitoba. They may have treated them very badly for all I know I do not know anything about the history of the company, but they were established at Pinawa long before I had anything to do with the administration of this department. We were anxious in our scheme for the development of the Winnipeg watershed to scrap the plant on the Pinawa diversion and throw the whole flowage of the river over to the Seven Sisters development, thereby securing for the people of Manitoba and for the city of Winnipeg fifty thousand horse power more than could be developed if the Pinawa plant were continued in operation. That was our first reason.

The Winnipeg Electric Company made first application for the development of the Seven Sisters falls. Later on when the controversy was on with respect to the Manitoba pulp and paper mill, my hon. friends will remember the bombardment to which I was subjected on that occasion, and I want to say again that the Manitoba members stood by me and gave me advice that was very valuable to me, and I think I shall be able to prove that they gave me good advice in connection with this matter. The Backus interests wished to secure this power site, and my hon. friends will remember that that application was backed up by very strong support from the city of Winnipeg, because they were promised a pulp mill there. I did not believe we were in a position at that time to warrant the application for a second pulp mill in the province of Manitoba, and I think later events have proved that my judgment on that occasion was sound. Nor did I think they were entitled to get the water power until such time as we were able to say to them that there was a possibility for development in the pulp and paper industry. They did not get it.

Later on, in 1925, Mr. Bracken became interested in this power site. I am led to believe from what my hon. friend has said, and particularly from what he has said about the Free Press, that someone must have been interested in the Manitoba government securing power rights in Manitoba for operation as a public utility. Mr. Bracken came to me and said that he was desirous of obtaining this power site. I have heard it stated that I had something to do with guiding Mr. Bracken in this matter. I never did. I make that assertion most fully and completely. I said to him, "Mr. Bracken," as I would say to the province of Alberta or to the province

of Saskatchewan, "if you are desirous of having any of these water-powers and developing them as a public utility for the benefit of the people, then your application will be given priority over all comers." That was the assurance Mr. Bracken got from me on behalf of the federal government, and he occupied that position for almost eighteen months or more. But I made this statement. I said, "Mr. Bracken, in order to have full development on the Winnipeg river, we are desirous of getting rid of that Pinawa plant and throwing the whole flowage over the Seven Sisters falls, in order that we may have a larger power development than could be obtained by a division of these two interests." That was the only suggestion I made to the Premier of Manitoba. Not only that—and I must thank my hon. friend for reading the resolution passed by the members of the assembly for Manitoba, in which they pointed out that in the event of the province of Manitoba or the city of Winnipeg not requiring this public development, then they had no objection—in other words, no objection to placing the Winnipeg Electric in a position of priority.

Mr. WOODSWORTH: That was after parliament or the city should have been consulted.

Mr. STEWART (Edmonton): I am coming to that; I want to deal with it in sequence. That was the resolution my hon. friend has read, and with which I agree.

The only condition I made was that Mr. Bracken take upon himself the responsibility of seeing whether or not it would be possible to make an arrangement with the Winnipeg Electric for the scrapping of that plant and diverting the whole flowage down the river. I want to make it clear that I did not put any strings on it, and state to Mr. Bracken what would result if he was not able to do that. I said I hoped he would try to do that in the interests of securing more power for Manitoba or the full utilization of the power available. If he had not been able to do that, there would have been no hesitancy on my part in recommending that the license should be issued to him. He went on and made an arrangement with the Winnipeg Electric. He had time to call in men in whom he had confidence, and men in whom I had the utmost confidence—particularly Doctor Hogg of the Ontario Hydro. I have worked with Doctor Hogg on the Niagara, and on other power and scenic developments, and he is a man whose opinion I value very highly. I did not see Doctor Hogg's report till long afterwards, but in effect Doctor Hogg advised Mr. Bracken, after viewing the whole situation, and having in mind the requirements of the province of Manitoba—the provincial government could not hope to dispose of any power to the city of Winnipeg, because it already had a development. The city had already made application for the Slave Falls, which they are now to develop, in order to supplement the power they already have. I make no defence of Mr. Bracken; I am simply stating the facts. He had no hope of selling power to the city of Winnipeg. His sales would be confiened to the rural parts, and in his arrangement he provided, first, for the scrapping of the Pinawa plant, carrying out what we were desirous of having done; secondly, he was to get for his own service thirty thousand horse-power for a period of thirty years, at a price in the neighbourhood of twelve dollars per horse-power.

Mr. FORKE: Eleven to thirteen dollars per horse-power.

Mr. STEWART (Edmonton): Yes, but it averages about twelve dollars.

Now, having done that, Premier Bracken notified me that he had made a satisfactory arrangement with the Winnipeg Electric to get the power that he required, and so far as he was concerned he was desirous that I should issue the lease to the Northwestern Power Company—the company that it had been agreed should be created for the purpose of keeping this three hundred thousand horse-power development separate from the Winnipeg Electric undertaking.

May I say I did that in order that I might insert in the lease some rigorous provisions for the protection of the public, and I will deal with this phase later. But he then made this statement: If you do not deal with the Winnipeg Electric, it is my desire to be put back in the same position I was before; in other words, that I shall have priority of application for the development of this power site. That was the effect of his letter to me, namely, that he should have the thirty thousand horse-power, the Pinawa plant should be scrapped, that full development should take place on the Seven Sisters, which would mean fifty thousand horse-power more for the people of Manitoba, and that if I should not be willing to issue the lease to the Northwestern Power Company, then of course his agreement went by the board and he desired to be put back in the position he occupied before.

Now, what about public ownership? I had very clear evidence so far as the province

was concerned from the men who I thought represented Manitoba—the provincial government—that they did not require the power. They had had their chance. I took the precaution to ascertain whether or not the city of Winnipeg was interested. I could not find that it was. The city was interested in securing Slave falls, and stated that for some years it would be developing that power site, and at the moment it was not interested in the development of this power. That is my defence, Mr. Speaker, with respect to what my hon. friends have repeatedly said, that if there was a demand by the public to develop this property they should have their chance. They did have their chance; they refused that chance, and asked me to issue the lease to the power company.

Dealing with what my hon. friend has said as to my not having kept my word with respect to this matter, it is quite true that time and again I consulted the Manitoba members about this very matter. It is quite true that several of them, like the two hon. gentlemen who have spoken and possibly some others who will speak, have never changed their minds on the advantages of public ownership versus private ownership in connection with this matter. It is not true that I did not consult the Manitoba members. My hon. friend said I did not see him. Well, I made an attempt to see him, but he was not in the province, neither was the hon. member for Winnipeg North Centre (Mr. Woodsworth). With respect to my hon. friend from Nelson (Mr. Bird), I was not able to see him, but on two occasions I did see a goodly number of the other members from Manitoba.

Now then, let me say this. In July, in accordance with the agreement with the Manitoba government, Premier Bracken came to Ottawa. I think he arrived on July 3, because I know on the night of the fourth I left for western Canada. I spent the day with Premier Bracken and the members of our government discussing the possibility of the transfer of the natural resources to the province. On that occasion there was a good deal of discussion as to what I might term new demands by the provincial authorities. The next day also was spent in discussion. I was not present. After this discussion an agreement was drawn up which provided, amongst other things, that a commission should be appointed to study the whole question of placing Manitoba on an equality with the other provinces of Canada as from the date of her creation as a province. It was also arranged that pending the report by the commission and the transfer of these resources, they were to be administered in accordance with the wishes of the provincial government. That happened, I imagine, on July 5. On July 4 I was not present, but I assume that that was the agreement which was entered into between our government and the government of Manitoba.

That agreement included all of the natural resources. When I visited Manitoba later I interviewed many of the federal members from the province and discussed the matter with them. After considerable discussion it was agreed that so far as the Seven Sisters power site was concerned—for I felt I owed some obligation to the Manitoba members to discuss it with them—if the provincial government were to take the responsibility of advising that this power site should be given to a private company, then the best thing for the government of Canada to do was to hand this development over direct to the Manitoba government. That was done by me after returning to Ottawa in a letter addressed to the premier of the province some time early in September. He replied stating that he could not accept the resources in that manner.

Mr. HEAPS: Why?

Mr. STEWART (Edmonton): The reason he gave was that he had no authority to transfer them to anyone else, and it was his desire that they should go to the Northwestern Power Company.

Mr. HEAPS: What prevented his having the authority?

Mr. STEWART (Edmonton): I cannot tell my hon. friend why. I am quoting Premier Bracken's exact words, and my hon. friend will find them in the files when they are brought down. Furthermore, he made the statement that it was his desire that this matter should be closed up. I again communicated with as many of the Manitoba members as I could reach, and I found that the opposition, so evident here in some cases, was very largely removed. When I made my statement referred to by the hon. member for Winnipeg North Centre in reply to the hon. leader of the opposition (Mr. Bennett)—my hon. friend has quoted my words exactly; I have them on my desk—the hon. leader of the opposition impressed upon me the desirability in every case where water-powers were concerned of allowing parliament to deal with the question. I told him that that was an innovation. He reminded me that I had suggested it myself, because I was introducing a bill to provide that parliament should control the resources

contained within the national park areas. That is true; I intend some day to bring that bill down when I have completed arrangements for the park boundaries. But my hon. friend will note that not at any time in that discussion did I agree that that provision should apply to the water-powers then in question or to future water-powers. I said I was willing to take the matter under consideration.

I think I have made clear to my hon. friend some things which heretofore were not clear. I did discuss this matter with members from Manitoba, and may I point out that there were a goodly number of Manitoba members who were at all times in favour of this arrangement.

Mr. WOODSWORTH: Will the minister name them?

Mr. STEWART (Edmonton): No, I do not propose to name them; it is not fair to ask me to do so. My hon. friend knows who they were. It was after consultation with them and not before, as he would have us believe, that all were unanimous about the matter.

With respect to the round robin to which my hon. friend from Nelson (Mr. Bird) has referred, I did not know it was in existence; I never heard of it. I did know of the resolution presented by my hon. friend.

Mr. HEAPS: The round robin was presented to the minister in his office.

Mr. STEWART (Edmonton): My hon. friend presented me with the resolution.

Mr. HEAPS: No, but the signatures of seventeen members of Manitoba, with the exception of the Minister of Immigration (Mr. Forke), were presented to the minister in his office by the members from that province.

Mr. STEWART (Edmonton): I have a perfect recollection of the other, but not of the round robin. And I am not in the habit of forgetting. At all events, the hon. member is well aware that a number of the members changed their minds very materially. He will remember that there was a considerable discussion in my office on one occasion among one or two of the members with respect to the question, and it became somewhat heated —very much heated in fact.

Mr. WOODSWORTH: May I ask the minister a question?

Some hon. MEMBERS: Order.

Mr. STEWART (Edmonton): What I want to point out is that if there was unanimity on one occasion it has not continued throughout even this session. Now, feeling as I did that as a government, myself being the minister in charge, we had some responsibility to the government of Manitoba, after having agreed with them that we should administer these resources according to their wishes, naturally when the government of Manitoba were insistent I was taking all the precautions I could to protect the public interest. I would do so in any case, and until the time when the lease itself was issued late in September we took these precautions to safeguard the public. The company is not the Winnipeg Electric Company; it is the Northwestern Company, a separate entity altogether from the Winnipeg Electric; and our object was to separate this unit of construction from any other. In any construction of this character we put an engineer in charge. In this case the agreement provides that if the engineer in charge and the company's engineers do not agree with regard to construction costs then the matter shall be referred to the court for decision, and the court's decision fixes the actual price of the work. Let me be clear about that: it does not fix the price of the transmission lines, but of the works, the transmission lines being supervised by the Dominion government's engineer. The price is fixed by that engineer, but if there is a disagreement between the company and him, then the actual price is fixed by reference to the exchequer court. Why did we so provide? We did so in order to avoid just the things that have been pointed out by my hon. friend; We wished to see that undue costs were not entailed in construction, and we also had in view later on putting in the hands of the board of public utilities, or of the minister himself if he so desires, the fixing of rates for the protection of the public. In that event the minister would know exactly what the undertaking would cost.

Moreover, there is provision in the contract that the government of Manitoba may take over the enterprise at the end of thirty years on the same valuation, less depreciation; they may acquire it after the plant has been operated for thirty years. Of course, the lease itself runs fifty years, but if it is taken over at the end of thirty years provision is made for compensation to the company; it is definitely and clearly provided that a certain percentage will be paid on the unexpired term, but the provincial government may acquire the undertaking as I have stated. In the meantime, every interest of the public is protected in so far as inflation and false returns with respect to costs are concerned.

That protection is thrown around the construction of this work. And the same precaution is taken not only in this connection but in every other work of this character; with respect to the very work which is going on at the present time in the constituency of the leader of the opposition in West Calgary, the Calgary Power Company are constructing a large power plant and the same procedure is being followed. Provision is made that control of rates may be had by the Minister of the Interior, but preferably by the public utilities board of the province in which the utility is to be operated. That is provided for. Provision is also made for the acquisition of the plant at the end of the thirty year period, at a fixed price; and until the price is fixed no operating license is issued. In this case they are constructing on an interim license, the license to be issued only after we have agreed upon the price.

I do not know of a single provision omitted from this contract which would protect the public interest; if there is any such omission I should be glad to know what it is. I know it is an easy thing to say that there will be inflation and that there is no redress against the rapacity of a private corporation. Let me say however that I have tried to provide against anything of the sort ever since I have had the honour to administer the natural resources under my department; I have endeavoured to guard against that very thing.

I wish once more to make it clear that I gave the province of Manitoba every opportunity to develop the enterprise; I gave the city of Winnipeg that opportunity. And the city of Winnipeg has the Slave falls. I believe we are getting, by the procedure which we are following, the full possible development on the Winnipeg river for the people of Manitoba, and we are safeguarding the public of that province against undue rates. May I add this: Not only did I want to be sure of my position with the Manitoba government, but you will find by reference to the documents that I insisted that there should be no mistake about the matter. The Manitoba government passed an order in council authorizing the issue of the lease to the Manitoba Power Company. This order in council was passed on September 11, 1928, and at the meeting there were present: The Hon. Mr. Bracken; Mr. McLeod; Mr. Prefontaine; Mr. Hoey; Mr. Montgomery.

Mr. WOODSWORTH: One of the members of the government present at the meeting has been forced to resign.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): I am not dealing with that; I do not know what has happened in Manitoba in that regard. I am simply dealing with the contract itself, and I am pointing out the precautions which I took to ensure that we should have a thorough understanding with the Manitoba government with respect to the question.

I have only a few minutes left, Mr. Speaker, but I think I have covered at least all the main points in connection with this matter. I have shown that the resolution does not deal with power sites but with all the natural resources, and how impossible it would be to administer the natural resources as outlined in this resolution. I have no quarrel with my hon. friends with respect to their advocacy of public ownership, but I do say that in fairness to the contract itself and in fairness to the development of the Winnipeg river, so far as the protection of public interest is concerned no such public interest has been neglected. The machinery is all there for the regulations of rates; means are taken to provide for a guarantee that there will be no excessive costs entering construction; machinery is provided for the acquisition of this undertaking by the province, if they wish to do so, at a valuation fixed in the contract itself. Every provision looking to the public interest is embodied in the contract, and that is why I say in my opinion it was a good contract. My hon. friend will not deny that I always said so. I know nothing about what happened in the Manitoba government or what influence may have been brought to bear upon it, but I do know that I have ample evidence that as far as I could ascertain they were advised that this was a good contract, and on that account I advised this government to issue the lease.

Mr. DEPUTY SPEAKER: The hon. gentleman's' time is up.

Mr. BENNETT: I would like to ask my hon. friend a question. Is there any difference between the terms of the contract with the Manitoba company and those of contracts with other power companies such as the Calgary Power Company, to which the hon. gentleman has referred?

Mr. STEWART (Edmonton): Yes, there is a difference. It so happens that our regulations were amended before the lease was issued to the Manitoba Power Company. I did try to embody those changes in the lease to the Calgary Power Company, but was unable to do so.

Hon R. B. BENNETT (Leader of the Opposition): Mr. Speaker, the resolution moved

by the hon. gentleman whose address we heard, the speech made by the hon. member for Nelson (Mr. Bird) and the reply of the minister raise a question of some considerable importance. I have not time to-night to do more than direct attention to rather an important phase of it which has been dwelt upon by the minister. I take it that this house is not concerned with whether or not Manitoba made a good bargain; that is a matter for the electors of the province of Manitoba to settle, but to the extent to which this government became a party to a transaction which may merit public condemnation—whether or not it does I am not saying at the moment—is a matter for the consideration of parliament.

It must be borne in mind that the province of Manitoba has been endeavouring to secure its resources for a number of years, and what has a very strange aspect is that on July 3 and 4 last, only a few days after the prorogation of this parliament the Premier of the province of Manitoba discussed this question with the government of the day, and an announcement was made on July 11, 1928, as follows:

Following a conference held at Ottawa on July 3 and 4, 1928, between representatives of the government of Canada and of the government of Manitoba, the results of which conference have since been approved by the two governments, agreement was reached as to the method and basis of settlement of the question of the administration and control of the natural resources of Manitoba, as follows:—

1. The province of Manitoba to be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources, as from its entrance into confederation in 1870.

2. The government of Canada, with the concurrence of the government of Manitoba, to appoint a commission of three persons to enquire and report as to what financial readjustments should be made to effect this end.

3. The commission to be empowered to decide what financial or other considerations are relevant to its enquiry.

4. The findings of the commission to be submitted to the parliament of Canada and to the legislature of Manitoba.

5. Upon agreement on the financial terms following consideration of the report of the commission, the respective governments to introduce the necessary legislation to give effect to the financial terms as agreed upon, and to effect the transfer to the province of the unalienated natural resources within its boundaries, subject to any trust existing in respect thereof, and without prejudice to any interest other than that of the crown in the same.

6. Pending this transfer, the policy of the government of Canada in the administration of the natural resources of Manitoba to be in accord with wishes of the government of the province.

It must be remembered that notwithstanding the years during which continuous efforts were made by the successive governments of Manitoba to conclude their dealings with this Dominion, and the fact that the provinces of Saskatchewan and Alberta were not able to conclude their dealings with this government, suddenly on July 11 this announcement was made, that the agreement had been negotiated on July 3 and 4 between the government of Manitoba and the government of Canada. Why was Manitoba thus singled out? Did that fact bear any relation to the fact that during a period of months efforts had been made to alienate a power site, which efforts had failed up to that time because the members of this parliament from the province of Manitoba had filed a protest against action being taken by this government? That is the question we must consider, and it will be borne in mind further that on June 6, less than a month before action was taken to turn over the resources to the province of Manitoba, the minister made a statement in answer to a question put by myself, in which I said:

My submission is that since we hold these resources, that is, they are the property of the crown in the right of the Dominion, in trust for the crown in the right of the several provinces, we should not as an executive act or as a pure matter of administration part with so valuable a resource as a power site which is of such inestimable value to the people of the country, without the approval of this parliament. In my judgment that would be a proper release to the minister for any action he might take as trustee for the people affected, and would afford an opportunity to the several legislatures to deal with any matter which concerned them until such time as these resources, notably the power sites, were turned over to the crown in the right of the several provinces concerned.

At page 3853 of Hansard for last year the Minister of the Interior, who is the present minister, said:

May I give my hon. friend the assurance now that so far as his request is concerned I have no serious objection to offer except this: Of course I am always made more or less the storm centre for the settlement of these difficulties, particularly in Manitoba, but I have adopted the principle of consulting with the provincial governments about these matters. Possibly I have carried that principle too far, but I am never forgetful of the fact that I must take the responsibility for final disposition. I am going to say very frankly here and now that notwithstanding the fact that at present the government have adopted a line of action with respect to the Seven Sister falls I am not in any particular hurry to come to any decision about that matter, largely because of the fact that the members of this house have expressed very decided opinions about the matter as federal members. I am not very much disturbed by the statement that there must be immediate action; I have investigated the matter pretty well and I think there is plenty of time to give ample consideration to this matter before it is decided. In order to settle the

question, and in order to prevent any delay, I do not see any reason why we should not await the action of the city council of Winnipeg and of the provincial government, which must take the responsibility, before a final decision is made here. I think that should satisfy my hon. friend.

I put this to the minister: Why was it that in a few short weeks the matter became so urgent that, in order to keep faith with the language he used in parliament, all the natural resources were turned over to the province of Manitoba? Why was it that Alberta was not so considered, and why was not Saskatchewan dealt with in this way also? Why were not the resources of Alberta turned over under a formal agreement without regard to nicety of terms or details? Why was it that the Premier of Saskatchewan came here the other day in this connection and was unable to make a bargain? With respect to Manitoba the only bargain made was to say that the Dominion would turn over the resources to Manitoba just as though it was one of the older provinces, and would account for them since 1870 when Manitoba was formed. Why could not that be done with respect to Alberta and Saskatchewan?

Mr. STEWART (Edmonton): May I interrupt my hon. friend? Of course they may have an accounting from the day of their inception, if they desire it; they have been offered that.

Mr. BENNETT: But the hon. minister must realize that that is only part of it. The point is this: why was it that at that moment it became necessary to do this thing? Why was it when there was no hurry on the sixth day of June, this is undertaken, in order to relieve them of the obligation, on the 4th day of July? This undertaking was solemnly made before the house by the Minister of the Interior (Mr. Stewart), but the whole resources were turned over and a clause inserted in the agreement by which it was said, "We will now administer them as the government of the province of Manitoba desires." Why was this not done until after parliament rose? It is all right to talk about taking steps for the purpose of safeguarding the public interests of the people of Manitoba, but the people of Manitoba are capable of doing that themselves. The order in council was passed a few days after the resolution of the conference had been handed out to the people of this country on the eleventh day of July, following the conference on the third and fourth of July just before the minister went west. The agitation of the private interests for this site had reached the point where the government of Manitoba was prepared to come down here and say, "We will accept the responsibility for administering them," and this government turned them over. Why could they not do the same with respect to the other provinces?

Mr. STEWART (Edmonton): They were quite prepared to do the same.

Mr. BENNETT: For the other provinces?

Mr. STEWART (Edmonton): Yes.

Mr. BENNETT: Read what is said by the Premier of Saskatchewan in an interview he gave out the other day.

Mr. STEWART (Edmonton): I have been trying to tell my hon. friend that long before the province of Alberta made an agreement with us, which failed to pass because they refused to go on with it, they were offered an accounting, and they have always been consulted as to the management of the resources and particularly with respect to water-power.

Mr. BENNETT: The hon. gentleman knows that from the very inception of the endeavour of the province of Alberta to negotiate—a resolution was passed at the time both my hon. friend and I were members of the legislature, and Mr. Sifton wrote his letter to Sir Wilfrid Laurier—from that time on the province of Alberta has asked for only one thing, namely, that the resources should be turned over with a willingness to account from the day the Northwest Territories became a part of Canada.

Mr. STEWART (Edmonton): Quite right. Wherein is the difference?

Mr. BENNETT: One difference is between the 6th day of June, when there was no hurry, and the 4th day of July, when there was great hurry, when the influence of the power company on the government of Manitoba and this government became apparent.

Mr. STEWART (Edmonton): My hon. friend is making a statement of what he supposes are facts, but he forgets that the conference was arranged for long before the Premier of Manitoba was known to have come down here.

Mr. BENNETT: So much the worse. Why was there no hurry on June 6 of last year when all the time the minister knew that this conference had been arranged for?

Mr. STEWART (Edmonton): My hon. friend is confusing the power site and the natural resources.

Mr. BENNETT: The trouble with this whole matter throughout Manitoba and throughout Canada is that no one has yet been able to understand why the minister made the statement that was made on the 6th day of June last, as to the position taken by this government, when there was no hurry, and that the city of Winnipeg and the province of Manitoba would be consulted; and then within thirty days after the house rose these resources are all transferred, so far as this government is concerned, by an agreement subject only to the question of accounting. The minister said, "We will administer them as the province of Manitoba want us to," but that is not what we were discussing. That is not the attitude this parliament took; that is not the attitude the members from Manitoba took when they communicated with this house; that is not what was contained in the round robin presented to the minister, according to the gentleman who presented it. Why this unseemly haste? Why this sudden hurry? Why this sudden scurrying to and fro to settle a question of resources which had been engaging the attention of statesmen in this country for the last thirty years? Why is Manitoba treated one way and Alberta another? That is the question, and it is one to which this country is going to have an answer.

Mr. STEWART (Edmonton): Does my hon. friend want to know why they were treated differently?

Mr. BENNETT: Yes.

Mr. STEWART (Edmonton): So far as each province is concerned, we are perfectly willing to try to deal with them on the basis on which they will negotiate with us, always having in mind the federal intersts.

Mr. BENNETT: Will the hon. gentleman say that that was the case from the very day the Liberal party first changed their minds in denying our resources; from the day the minister himself heard his then leader in the legislature of Alberta pass a resolution that we demand our resources; from the day that Mr. Sifton sent his letter to Sir Wilfrid Laurier? Was there ever a time when the province of Alberta has not said, all we want is our resources with an accounting since 1870?

Mr. STEWART (Edmonton): Not since 1870; since 1905.

Mr. BENNETT: The speech by Mr. Haultain made in the old Territorial legislature when I was present; the speeches in the legislature of Alberta when Mr. Sifton was the leader, and in the provinces of Saskatchewan and Manitoba, have all been a demand for one thing, and one thing only: that we should have our resources as they stand with an accounting from the time we became part of Canada up to the date of the accounting being made.

Mr. MACKENZIE KING: And a subsidy.

Mr. BENNETT: I cannot be taken away from the point; the subsidy had nothing to do with it.

Mr. STEWART (Edmonton): Has my hon. friend the letter written by Mr. Arthur Sifton? It did not make any demand for an accounting.

Mr. BENNETT: He demanded that compensation should be given for the resources which had been alienated before we became a province.

Mr. STEWART (Edmonton): If my hon. friend will look up the letter I think he will change his mind.

Mr. BENNETT: Let us not get away from the question. Why the haste? Why the hurry? Do not let us get away for a single moment from the question that is agitating the people.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, February 26, 1929

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 61, respecting the Lacombe and North Western Railway Company.—Mr. Blatchford.

Bill No. 62, respecting The Esquimalt and Nanaimo Railway Company.—Mr. Dickie.

Bill No. 63, respecting The Toronto Terminals Railway Company.—Mr. Hocken.

Bill No. 64, respecting Chartered Trust and Executor Company.—Mr. Lawson.

REPORTS OF COMMITTEES

First report of the special committee appointed to consider Bill No. 4, to amend and consolidate the Opium and Narcotic Drug Act.—Mr. Howden.

First report of the select standing committee on railways, canals and telegraph lines.—Mr. Cahill.

MONTREAL RAILWAY TERMINAL FACILITIES

REPORT OF MR. FREDERICK PALMER

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I beg to lay on the table a copy of the report on the Montreal railway terminal facilities, by Mr. Frederick Palmer.

RULES OF THE HOUSE

PROPOSED REFERENCE OF CERTAIN ESTIMATES TO COMMITTEE—THIRD READING OF BILLS

Mr. L. S. RENE MORIN (St. Hyacinthe-Rouville) moved that the first report of the select standing committee on standing orders, reading as follows, be concurred in:

Your committee have considered an order of the house dated 15th February, viz:—

"That the select standing committee on standing orders be instructed to consider the advisability of amending the standing orders so that certain estimates may be referred to a committee and so that bills reported from a standing or select committee shall be placed on the order paper for third reading after having been sufficiently debated by the house."

Your committee recommend that, during the present session, the house may refer any of the estimates to a standing or special committee, concurrently with the committee of supply, but that none of the estimates shall be concurred in by the house until reported by the committee of supply.

Your committee further recommend that, during the present session, when any bill, other than a government bill, reported from any standing or special committee, shall have been considered at two sittings and not disposed of, it shall be placed on the order paper for third reading; and when called in pursuance thereof, the question "That the bill be now read a third time" shall be put by Mr. Speaker and decided without debate or amendment.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I think the house would do well to hesitate to pass this report.

Mr. SPEAKER: Order. The mover has something to say.

Mr. MORIN (St. Hyacinthe-Rouville): The order of reference to the select standing committee on standing orders was two-fold. The committee was instructed to consider the advisability of amending the rules of the house, first, to enable the house to refer the consideration of certain estimates to standing or special committees, and second, so that bills reported from a standing or select committee might be placed on the order paper for third reading after having been sufficiently debated by the house.

The purpose of the first part of the reference was to expedite the business of the house by referring the estimates of some of the departments which, under the present rules, can only be dealt with by the house sitting in committee of the whole, to standing or special committees upon which concurrent jurisdiction would be conferred, in which committees fuller and more accurate information could be obtained from the officers of the departments familiar with the circumstances of each particular item than could reasonably be expected from a minister speaking offhand on the subject from his seat in the house. The results to be expected from this new procedure would be more accurate and secure fuller information for the benefit of hon. members; and secondly, the discussion in the house would be restricted to the really contentious items, the debates thereby being materially shortened.

The committee was of the opinion that rather than amend the rules of the house at once, it would be wiser to test the expediency of the new procedure by an experiment during one session, and its recommendation is that during the present session the house may refer any of the estimates to a standing or special committee, concurrently with the committee of supply, such estimates, however, remaining subject to consideration and report by the committee of supply.

The object of the second part of the reference is again to expedite the business of the house and to enable it to give a decision on private and public legislation submitted to it after such legislation has been sufficiently debated.

The house expressed itself on this matter when, two years ago, with that definite purpose in view, it amended its rules by providing that private bills considered during the hour devoted to private bills on Tuesdays and Fridays, and not disposed of, would be placed at the foot of the list on the order paper.

But the rule resorted to has proved inadequate, and to remedy this situation the committee recommends that, as an experiment, a sessional order be passed providing that during the present session when any bill, other than a government bill, reported from any special or standing committee shall have been considered at two sittings, and not disposed of, it shall be placed on the order paper for third reading, and when called in pursuance thereof the question, "that the bill be now read the third time," shall be put by the Speaker and decided without debate or amendment.

The committee considered that after full and free debate on the second reading and before the special or standing committee to which the bill was referred and at two different sittings of the house sitting as a com-

mittee of the whole, any such bill had been sufficiently debated, and that if the members of the house so wished they should be entitled to an opportunity to give a vote thereon.

Sir GEORGE PERLEY (Argenteuil): Mr. Speaker, when the motion to refer this matter to the committee was brought up by the Prime Minister, the hon. member for Acadia (Mr. Gardiner) raised the point that it was a double-barrelled resolution. The event shows that he was correct in that respect, for there are two entirely different matters considered by the committee in this report. Would it not be possible to divide the report into two sections in order that they may be dealt with separately? Because in my humble judgment the first recommendation will be considered by all hon. members as a reasonable one; whereas the second may provoke a lot of discussion.

Mr. MORIN (St. Hyacinthe): I understand, Mr. Speaker, that the only course open is to refer the report back to the committee with instructions to amend it.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, the report contains two recommendations, as the mover has said, but in them both there is evidence of a tendency to divest this house of a certain portion of its responsibilities and to hand them over to other bodies, sometimes to the cabinet, sometimes to boards, and sometimes, as in this case, to committees. But all these bodies to which we are invited to hand over our authority are not so directly responsible to the people as we are, and they function in a way which prevents that desirable publicity being shed on their proceedings which is associated with our deliberations and actions in this chamber.

Now, there are two recommendations, and I propose to deal with them separately. The first one is to the effect that estimates may be sent to a special or standing committee, but it provides that those estimates must also go through our committee of the whole before they have any legislative sanction. It appears to me, sir, that on the face of it, if it does not go any further than that, it is a comparatively innocuous and, to tell the truth, a somewhat feeble suggestion. It reminds me of the epitaph on a tombstone in an old English graveyard erected to the memory of a three-day-old child. After stating the particulars of the infant's name and death this doggerel follows:

> If so soon I would be done for,
> What on earth was I begun for?

And it seems to me that if this innocuous recommendation does not really go any further, and is not intended to, what on earth was it begun for.

It will probably be said in the course of this debate, and correctly so, that this method of dealing with estimates has been a success in the case of the estimates for the Canadian National Railways. But the conditions are entirely different there from what they are in the action now proposed. The Canadian National Railway estimates represent what is entirely a national proposition. Broad policies are discussed, you have Sir Henry Thornton and his staff in attendance, and the leaders of the various groups in the house can readily agree whether the policy is a good one or not. But the other estimates are local estimates and so to speak, specialized; think of the thousand and one items that comprise the agricultural estimates, or those of the marine and fisheries or the Post Office Department —almost any of the estimates in fact other than the larger ones in connection with the national railways. Those items require local knowledge to illuminate them, as it were. As you know, the procedure now is for the minister to explain the reason for the estimate from the book that is placed in front of him. If further information is required, perhaps the over-burdened memory of the deputy minister is drawn on; but in the last analysis when it comes down to the giving of information for or against that particular item, is it not the member for the local district whose particular knowledge is relied on, and in the special committee that local knowledge will be lacking except as it may be furnished by the few members composing the committee. Now, if this proposal to send estimates to a private committee is to replace discussion in committee of the whole, then it is vicious, absolutely so. We are told that that is not now proposed, but I am very much afraid, sir, that it is the direction in which we will be heading if we adopt this recommendation. It is unreasonable in itself unless it is intended logically to go further.

However, to deal with what is absolutely before us, it is said to be concurrent; that is to say, that the discussion in the special committee will be additional to the discussion which will take place in this house. In that case it will be useless; if it is useless it will be wasteful and entirely unnecessary. Once upon a time an eastern potentate who had captured a city proposed to burn a valuable old library. On being remonstrated with he said: Either these books support the Koran or they are opposed to it. If they support it they are unnecessary; if they oppose it they are wicked. In either case they are superfluous. Thereupon he ordered the library to

be burned. Now, all we obtain from this recommendation, provided it is not intended to go any further, is that the overworked minister—because he is busy at this season of the year—and his equally overworked deputy—who is also very busy—shall be compelled to go over all their estimates, one by one, in the fullest sense, twice, once in the special private committee—shall I call it the "hole-and-corner" committee?—and again in the full light of this house. What use will that be to anybody if the work is done twice? The answer has already been given by the mover, and will be given again: It will shorten debate in committee of the whole. That is all right, sir, as regards the estimates of the Canadian National Railways. When the three leaders in this house and the outstanding members of their parties tell us in committee of the whole, "We have looked at these estimates of the Canadian National Railways and are satisfied with them," I for one am quite prepared to accept their view, as I have no doubt are other members. But, as I say, the conditions are totally different with respect to what I call the local estimates. When it comes down to local matters affecting the coal mining, farming, logging and fishing interests of the constituency which I represent, I say emphatically, no; I will not surrender my right to discuss these matters; I will not surrender it to any lawyer from Winnipeg, any millionaire from Toronto, or any business man from Halifax, however worthy they may be; however much abler they are than I am in their particular spheres, they do not know the local conditions of the district I represent. I know that the time honoured gag will be trotted out—it is hoary headed in its hypocrisy: "Oh, but you can go before the committee and you will be allowed to speak there." How often have I not heard that advanced: You can go to the committee although you are not a member of it and you will be accorded a courteous hearing. Yes, you will be given a courteous hearing once; but when it comes down to butting in—to use a common expression—on every item and arguing the merits and taking an active part generally in the debate you will soon find that you are not wanted. Any member butting in—I cannot use any other word to express the idea—will find that he has as much weight there as the Hansard reporter has in the debates that take place in this chamber.

We are told that this would shorten the debate and save the precious time of the house. Well, that was the very bait that was held out to us two years ago when we sold our birthright of free speech, or a portion of it at any rate, for a mess of pottage. And a sorry looking mess the pottage was when we got it; to me it seemed more like the funeral baked meats of the ancient Egyptians. Certainly it was very much inferior to the life giving pottage of the days of Isaac and Esau, and indeed even inferior to what is supposed to be its lineal descendant, the brose of the modern Scot.

I would submit to the house in all seriousness that there are greater advantages to be gained by our considering every item in committee of the whole than by getting through quickly and going home, which is the main bait held out in this case. There are a good many members of this house, myself amongst them—and I am not ashamed to admit it—who exhibited great anxiety to come here and occupy the honourable position we hold, and who by hard fought campaigns and many promises secured this much sought boon. We told the people that we would do our duty to the last ditch, and so forth. Now are we getting tired and lazy? Do we want to shirk the obligations which we undertook when we came here? A few days, a week or two longer would not make any great difference. I would point out also, to put it bluntly that we are being paid for being here. I admit that the salary is quite incommensurate with the work we do, but at the same time we knew what the remuneration was when we sought the position, and if we are not satisfied to do the work for which we were sent here we should resign. I know there are scores of men in the district I represent fully as able and quite as willing to represent my constituency.

Another time-honoured gag will be trotted out for our delectation. When the report comes from the select private committee we shall be told: "Now, this matter has been seriously and carefully—almost prayerfully—considered in the select committee and the house would be well advised to accept their just and wise verdict." I can recall that gag also; many a time have I heard it in this house. Let me give an illustration of what actually happened on one occasion. I was endeavouring in this house to have the report of a select committee changed. The committee had reported something and I wished to have their report amended. The chairman of the committee got up and in sonorous tones he got off the gag I have mentioned; the matter had been so carefully considered by the select committee that the house would be wise to follow that committee's "mature judgment". But this is what actually happened on that occasion. It was a small

committee and the recommendation I wished was defeated by a vote of four to three. One of my friends on whom I had relied to support me was absent, however, and on my reproaching him afterwards with his absence he said he was very sorry but he had gone to have his hair cut; and because that hon. gentleman had gone to have his hair cut something of material importance to certain interests in the country had to stand over for a year or, perhaps, be abandoned altogether. That is the effect of accepting always the report of a small select standing committee.

The other night the hon. member for Winnipeg North Centre (Mr. Woodsworth) and my desk mate the hon. member for Labelle (Mr. Bourassa) told us, and it was not denied, that we were railroading divorce bills through the house at a scandalous rate. I say, it cannot be denied. And why does that condition exist? It is just a logical and direct consequence of the very system now proposed. These divorce cases used to be considered in this house in committee of the whole, but we drifted into the dolce far niente method of leaving the whole question to a select committee, with the result that divorces are now rushed through without the slightest attention being paid them. That is the natural and inevitable consequence of the same sort of system proposed in this connection; only in this case we are beginning in a small way and comparatively gently.

I may point out that this very practice has been tried elsewhere before. It was tried in British Columbia when I was a member of the local house, and it was never tried again. I got my estimates through, it is true, but by a method which—I have not the time now to describe to the house. But it was not desirable; it led to log rolling, most of us know what that means. Now, if the system here proposed were to be adopted I might be tempted to approach some hon. members opposite—perhaps I might select my worthy and genial friend from New Westminster (Mr. McQuarrie), because at times he has evinced a certain amount of the milk of human kindness, and we are brother British Columbians—and I would say to him: "If you vote for the wise and just estimates for my district, I will vote for the rotten, unjust estimates for yours." It is to be hoped, of course, that neither the hon. member for New Westminster nor myself would yield to that temptation. Still, Mr. Speaker, you, yourself, deem it advisable every day at three o'clock to pray that we be delivered from temptation, and sometimes I wonder whether it would not be wise if you renewed the supplication at eight o'clock for fear the strength prayed for earlier in the day might have waned.

I will be nothing but frank; I admit that this recommendation as it stands, word for word, and not going beyond that in the slightest, is comparatively innocuous. Nevertheless it is a wedge; it is that fatal thing known to us in this house as a precedent. Why did we spend three days last week debating the question of grants for roads? We did so largely because we had this great thing behind us, precedent. Once enter the fatal path of precedent and it will soon lead us to all the evils I have suggested. Moreover it is not merely a question of passing estimates for this post office or that wharf or something else of the kind; what is valuable is the discussion that arises out of the estimates. Statements which the leaders, the cabinet ministers, hear in their offices, statements made in caucus, are almost entirely ex parte; are they not? But it is in the light of the publicity obtained in this house that the members of the cabinet get the cross current of public sentiment. It is of the greatest benefit to them, to us all and to the country at large to hear the discussions that take place even on some comparatively trivial item—arguments which would be all lost sight of in this private committee.

Let me now state my final objection to this particular recommendation. I am utterly opposed to what I call star chamber methods. There would be no Hansard in this private committee; no votes would be recorded but merely totals; no names would appear. It would be possible for the government or a member to speak one way on the hustings and vote another in the committee. I referred a moment ago to a friend who was absent from a meeting because he had to have his hair cut. Now, I do not wish to be cynical for a moment, but it might be said by those who are cynical that the government whip had suggested to him that his hair was a little long! Also it would be open to unscrupulous opponents to accuse a member of having cast a wrong vote in committee and he would not be able to prove its untruth; for a lie can always get ahead of the truth. I am very much afraid, not so much of this particular recommendation as of what it would logically lead to. Before long we will be putting our power of voting estimates into the hands of a private committee, a hole in the corner committee, one upon whose actions they cannot, will not and perhaps dare not let the God-given light of publicity shine.

So much for that part of the report; I want now to deal with the second recommendation which is of much greater immediate importance. I refer to the recommendation with regard to the manner of dealing with private

and public bills. We will do well to remember that this deals with both private and public bills; it may be a bill of a thousand pages, dealing with the Companies Act or with the Criminal Code, imposing some drastic restriction on the right of assembly or free speech. This is the course such a bill will pursue: After going to this private committee, where no vote is recorded and where there is no Hansard, it will be brought back to this house on two separate occasions. We know that public and private bills come before this house for only one hour on two evenings a week. It may be said that the bill may be brought up on Monday and discussed all day, but if there were any suspicion that a bill would be opposed very strenuously it would not be brought up on that day. It might be brought up at ten minutes to nine or it might be brought up at ten minutes after eight; strike an average and say it would be up for one hour altogether. Two advocates of the bill may speak on it; each is entitled to speak for forty minutes, so there will not be much left of the hour. Some hon. members may have some important amendments to offer, of which they may have given notice; the advocates of the bill, knowing that, could make it their business to talk out the bill, and at the end of the hour it would come to the house for third reading. That would be bad enough, but it becomes much worse. The next time the bill comes up it stands for third reading, and it is proposed that there can be no amendment and no debate on the third reading; you cannot put anyone on record from the second reading until the bill has gone through. Many members vote for the second reading of a bill with the idea of offering amendments in committee, but under this system we will never get the opinions of different members because bills will be talked out of committee on to third reading with no debate and no amendments allowed.

I am anticipating the arguments which may be brought forward in favour of this method. It will be said, "Oh, he is depicting an extreme case; these things are not done now, because the good sense of the house will not allow them." Will it not? Let me remind hon. members that two years ago I was opposing the establishment of the forty minute rule; I pointed out that if two or three obstructive questions were asked the member's time would be cut into seriously, and the answer given was that this would not be done, that time would be allowed for interruptions. Upon that understanding perhaps many members agreed to the forty minute rule, but has that been the case? It has not; the rules are strictly

enforced, and quite properly so once we adopted them, so do not let us be beguiled by the suggestion that the rule reads one way but that we will be allowed to do something else.

There is one other feature of the matter to which I would like to direct the attention of the house. This rule will be introduced immediately, and there are two important private bills coming up this session, the Sun Life bill and the Bell Telephone bill. I think I voted for one of them last year, so I am not particularly antagonistic to them, but I can see what may happen to these bills and I am opposed to it. When they were brought in the other day on second reading there was practically no debate, in the expectation that the debate would take place in committee of the whole. Now, unannounced, we will be deprived of that right; we cannot go back and debate the bills on second reading, so all we have before us is two short periods of perhaps ten minutes each, after which the bills stand for third reading without debate. If this iniquitous rule is to be adopted let us at least send it back to the committee with instructions that it shall not take effect until next session.

I frankly admit that the rules were abused last session; these and other bills were deliberately obstructed. There is hardly a privilege we enjoy which is not subject to abuse at times, but because 10 per cent of the members abuse a privilege are we to deprive the other 90 per cent of their rights? Social conventions do not allow us to steal up behind a man and knock him down because we do not like the colour of his hair or the tie he wears; it is held that that is too drastic a remedy, and I submit that this rule is also too drastic for the difficulty it assumes to correct.

It may be said that I am merely offering destructive criticism, but that is not the case; I can easily suggest an appropriate remedy for the obstruction which undoubtedly occurred last year. I suggest simply the use of the rule we have had for many years, that is, the closure; that is the correct thing to do in such a case, simply put on closure. Almost every government in the world has the closure rule in some form or other, but some hon. members will say that closure is objectionable. Why, this is simply Ossa piled upon Pelion, with respect to closure; this is a hundred times worse than closure heaped up, pressed down and running over. Under closure you must give notice, and the debate can continue until two o'clock the following morning; each member is limited to twenty

minutes, so that thirty or forty men may speak, but here we will be limited to perhaps two speakers. And as an aside, may I draw attention to the incoherent condition of our rules at present owing to the way we tinkered with them two years ago. Now we have one rule which says we can take a vote under closure at two o'clock in the morning and another which says we must stop the debate at eleven o'clock. Our mess of pottage is all spattered up with red tape like the seals on a Christmas parcel.

I hope the house will reject this motion altogether. The first part is only weakly evil. but it has potentialities of harm which make it undesirable; the second part is wholly poisonous and destructive, subversive of the right of free speech, both propositions are unsound in principle and will be unworkable in practice. I fully believe that not one-half the members of this house knew this question was coming up to-day, and not half of them have been made acquainted with the effect these recommendations will have if adopted, so in order to give the government and hon. members on both sides of the house an opportunity to see what they are voting on, I am going to move that this debate be adjourned. I have not solicited anyone to second my motion, but if anyone cares to do so in order that the matter may be discussed better in their caucuses or in some other way, they may do so. I move the adjournment of the debate.

Motion (Mr. Neill) agreed to.

OPIUM AND NARCOTIC DRUG ACT

Mr. J. P. HOWDEN (St. Boniface) moved that the first report of the special committee for the consideration of Bill No. 4, to amend and consolidate the Opium and Narcotic Drug Act, be concurred in.

Mr. SPEAKER: Notice should be given of this motion. Perhaps this may serve as notice.

Motion stands.

CIVIL SERVICE ACT AMENDMENT

RESTORATION OF EXCLUDED POSITIONS

Mr. E. J. GARLAND (Bow River) moved for leave to introduce Bill No. 65, respecting the Civil Service (Restoration of Excluded positions).

Mr. GUTHRIE: Explain.

Mr. GARLAND: I am simply reintroducing, in general terms, the measure of last year. This is a bill to restore to the operation of the Civil Service Act, and to place under the administraton of the Civil Service Commission, excluded positions, and also to place under the commission particular departments or branches of departments which have not as yet been placed there but which have become permanent parts of the civil service.

Motion agreed to and bill read the first time.

PRIVILEGE —MR. EDWARDS (FRONTENAC)

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I desire to rise to a question of privilege.

Mr. SPEAKER: If the hon. gentleman will wait until the orders of the day are called.

Mr. EDWARDS: I understand a question of privilege is in order any time.

Mr. SPEAKER: The hon. gentleman is correct, a question of privilege is always in order.

Mr. EDWARDS: My attention has been called to a short article appearing in a paper called the Edmonton Journal which indicates one of two things; either that paper is engulfed in the most profound ignorance, or it has a disregard for the truth. The article is headed "Changes his stand" and reads as follows:

> Hon. Doctor J. W. Edwards, M.P., who led previous opposition to the western provinces securing their natural resources, free from any restriction, surprised the commons on Monday by moving a resoltion which will facilitate Manitoba, Saskatchewan and Alberta securing a speedy return of their domains.

It is very hard for me to believe that any paper in Canada could be so ignorant of the facts. The article states that I led the opposition to the western provinces securing their natural resources, but page 360 of Hansard of February 16, 1927, shows that I moved the following resolution:

> That in the opinion of this house, it is in the general interest of this Dominion that their natural resources should be transferred to the prairie provinces at the earliest possible moment, and that such transfer should not interfere with, restrict or modify the right of said provinces to complete control of their educational or other local affairs.

In my judgment that resolution is a complete contradiction of the article, and that contradiction is supported by a statement made by the Minister of Justice (Mr. Lapointe) that,

> "The agreement would be subject to the qualification that it should not interfere with, restrict or modify the right of the province

to the complete control of its educational or other local affairs. That is where the disagreement comes in."

I was not attempting to restrict the transfer in any way, as is evidenced by the words of the resolution I then moved and by the remarks of the Minister of Justice.

I would also refer to Hansard of March 26, 1928, at page 1688 where I moved exactly the same resolution which this house saw fit to adopt unanimously last week. Word for word, comma for comma, the resolution compares with the one unanimously adopted by this house.

Whether this article is maliciously intended or not, it does me a grave injustice and is absolutely contrary to fact.

PRESERVATION OF NIAGARA FALLS

MOTION FOR APPROVAL OF CONVENTION WITH UNITED STATES

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

That it is expedient that parliament do approve of the convention and protocol for the preservation of Niagara falls by the construction of remedial works and for the experimental wthdrawal of additional water from the Niagara river, which was signed at Ottawa, on the second day of January, nineteen hundred and twenty-nine, on behalf of His Majesty for the Dominion of Canada by the plenipotentiary named therein, and that this house do approve of the same;

And that a message be sent to the senate to acquaint their honours that this house unites wth the senate in the approval of the abovementioned convention and protocol;

And that the clerk of the house do carry the said message to the senate.

He said: The convention ensures adequate measures for the preservation of the greatest scenic asset of America, and in addition provides a considerable supply of power in Ontario and New York on an experimental basis during the winter season when the water is most needed for power and least needed for scenic purposes.

Preliminary negotiations with respect to this convention were conducted on behalf of the government of Canada by the Minister of the Interior (Mr. Stewart) and on behalf of the United States government by the Hon. Mr. Kellogg and the Hon. Mr. Hoover. The Canadian government acted throughout in the closest cooperation with the government of Ontario and the Hydro-Electric Commission, both with respect to the various steps taken and with respect to the convention itself. I shall leave to the hon. Minister of the Interior the major presentation and discussion of this matter, but it may facilitate an understanding of the one or two outstanding features of the convention and the circumstances which led to its being formulated, if I make a more or less formal statement.

In 1925-26 correspondence took place between the governments of Canada and the United States regarding the danger to the scenic properties of Niagara falls through the erosion of the escarpment. It was decided to appoint a commission to examine into this question and also into the question of the amount of water which might without injury be diverted for power purposes. The Special International Niagara Board was set up accordingly in October, 1926, and was constituted as follows:

J. T. Johnston, director of Dominion Water Power and Reclamation Service, Department of the Interior, Ottawa.

Dr. Charles Camsell, Deputy Minister of Mines, Ottawa, Major D. C. Jones, United States District Engineer at Buffalo.

Dr. J. Horace Macfarland, past president, American Civic Association, chairman of the Fine Arts Commission of Pennsylvania.

Mr. Johnston and Major Jones were the members of the International Board of Control established in 1923 to supervise and control the diversion of water authorized under article V of the Boundary Waters treaty of 1909.

Dr. Camsell was specially qualified to deal with the geological factors involved in a study of the recession of the falls, and Dr. Macfarland has been for many years a leader in the movement for the preservation of all natural scenic beauties. The services of specialists in the analysis of colour and light effects were also secured.

The special board has presented an interim report, which has been published by the Department of the Interior, and is completing its final report, which will present the technical details on which the recommendations were based.

The board found that the scenic qualities of the falls were being injured by various factors:

(i) The natural recession of the falls through the eating away of the crest, which has been going on since prehistoric times and which measurements since 1842 show to have been at the average rate of 3.7 feet a year in the Horseshoe falls;

(ii) Variations in the level of the lakes;

(iii) Withdrawal of water for power purposes.

The board, however, found that there was no basis for the fear that the Horseshoe falls was likely to disappear through the deepening of the notch in the centre. The chief injury lay in the baring of the flanks of the crest line and the thinning of the sheet in certain parts. They concluded that with adequate supervision and control the scenic beauty of the falls could be preserved in perpetuity and that by suitable remedial works, particularly excavations and submerged weirs, the water could be distributed over the bared flanks, erosion modified and the present scenic beauty enhanced.

The works proposed were estimated to cost $1,750,000. Following the publication of the board's report, the Hydro Electric Power Commission of Ontario and the Niagara Falls Power Company of New York submitted an offer to construct the works recommended, under government control, conditional upon their being allowed to utilize, during the winter season only, 10,000 cubic feet of water per second on each side of the river in addition to the diversion permitted under the Boundary Waters treaty. The special Niagara board reviewed this offer and recommended its acceptance with some amendments, limiting this experimental diversion to seven years and providing for continuous regulation by the International Board of Control, with supervision by the special board of four members of the effect of the construction of the remedial works and the experimental withdrawals.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, under the proposed remedial agreement with the United States, the United States are going to secure 42,000 second cubic feet of water. Under the Boundary Waterways treaty the United States is entitled to 20,000 cubic feet of water a second and Canada to 32,000 second cubic feet, of which Canada exports 12,000 cubic feet of water a second. The result is that when this treaty is passed and the quantities are totalled, the United States will have 20,000 plus 12,000 plus a new 10,000, or a total of 42,000 cubic feet of water a second while Canada will receive only 32,000 less 12,000 plus 10,000, or a total of 30,000 cubic feet of water a second. It is extremely problematical whether these remedial works will, from an engineering standpoint, have the effect which it is said they are going to have. What I fear is this: the report says:

All the plans for remedial works hitherto suggested have contemplated replenishing the flow over the flanks of the Horseshoe fall and in the American channel and at the head of Goat island.

Now they are going to divert the water out of the Horseshoe falls. The main flow of water is on the Canadian side, and Canada is entitled to that water and the power developed from that flowing water. She is not, however, going to get it, according to the figures I have given. I am afraid they are going to get that water over to replenish the American falls and make it more beautiful at the expense of Canada, because Canada is not being properly protected and safeguarded. The report says:

Certain plans, including those for the construction of a curved weir across the main part of the rapids above the Horseshoe, and those for distributing the flow by numerous islands in the rapids, have had for their main object a radical reduction in the heavy flow over the central part of the Horseshoe. The premises upon which the assumed necessity for such a reduction has been based are:

First: That the American falls are more beautiful than the Horseshoe—

In my opinion that is not correct.

—and that consequently the general effect would be enhanced by thinning out the latter so as to make it similar to the former;

Second: That the Horseshoe is in danger of committing suicide and that the proposed thinning out would materially check the erosion; and

Third: That such works would have available additional water for power purposes.

The treaty is no doubt all right as regards the legal side of it and the question of policy, but I feel we are being gold-bricked and I am objecting to some of the details. What I fear is that they will get this water out of the Horseshoe falls; it will go down by Goat island and on to the American falls, which have dried up and they will beautify and replenish the American falls at the expense of the Horseshoe and of Canada. The height of that fall is 160 feet and there is practically no water passing over the American fall today. These are boundary waters and Canada's rights should be protected. If these remedial works are going to have the effect which, in my opinion, Canada should have, there should be additional safeguards in this agreement. From an engineering standpoint, the main flow of water will be diverted from the Horseshoe falls over to the American falls and the people of the United States will get the water. If we are going to preserve the beauty of the falls, why was a treaty not made

with the people of the United States along the lines of the great works of the Niagara Falls Park Commission which on the Canadian side revolutionized the beauty of the falls by the construction of the Queen Victoria park and the driveway from lake Erie to lake Ontario. They spent hundreds of thousands of dollars of Ontario's money to beautify our side of the river with the result that right from Fort Mississauga at the mouth of the Niagara river to the falls and on the Port Erie there is on our side a boulevard and a driveway sodded all the way and planted with flowers at the expense of the people of Ontario who, as a province, have been doing this national work themselves. I am sorry to see that in this particular report no provision is made for such beautification along the banks of the river both at the falls and north and south on the American side and a similar boulevard and parkway.

On the United States side there is nothing but power companies and chemical and by-product companies which are dumping refuse and sewage into the river with the result that some of it comes over with the flow of the rapids to the Canadian side. The whole river is full of sawdust and wood and refuse and the scenery is spoiled by the dirty water coming out of those sewer pipes and outlets of certain plants. If you look along the American falls, you will find both above and below the falls the outlets of those pipes and from them, come wood, dirt, sewage, chemicals, gasoline and many oils of that description which are to-day ruining the beauty of Niagara falls. If you go up in the Maid of the Mist, you see the sewage and the boat is covered with gasoline and oil. This matter should be taken up by the committee. If we want to preserve the beauties of the falls, we should do it properly and not do it along the lines of these questionable remedial works. How long has it taken to secure these remedial works? It is now one hundred and thirty or forty years. The report says:

> Surveys made in the years 1764, 1842, 1875, 1906, 1917, 1925, and 1927 indicate a continuous recession of the central portion of the crest-line of the Canadian or Horseshoe falls. The effect of this recession has been to lengthen the crest and to leave the flanks of the Horseshoe on either shore more or less denuded of water, the degree depending upon the total volume of the flow over the falls.

What I am afraid of is that when the people of the United States get this water, they will claim it for all time. I am very much disappointed that the Niagara Falls Park Commission were not made a party to this agreement as representing the government of Canada and that the government of the province of Ontario also were not protected on the half of this river. The bed of the river and the banks and rapids belong to the province of Ontario.

There is another point. I maintain that the government of Ontario should have been consulted with regard to these remedial works. They have an investment of eighty millions in the Chippewa plant and other hydro plants, and how is that investment going to be affected by these works? In winter, there is a big rush of ice down the river, and only a year or so ago the private owned company, the Niagara Cataract Company, had to close down some of their generators on account of the ice jam attacking their dynamos and inlet. In the winter of 1917-18 there was a big ice jam which took away the whole wharf at Lewiston, and the ice rose up the banks, almost half way up to Queenston Heights lower bank. That was a very serious state of affairs. I think these remedial works may interfere very seriously with the operation of the power companies on both sides of the river by diversion of waters without adequate compensating works.

It is stated in this convention that the remedial works are for the purpose of beautifying the falls, but how are they going to affect the operation of street cars and the supply of light and power in the municipalities of Ontario during the winter months.

I am very much in doubt whether these proposed remedial works, and the diversion effected by weirs and other erections—interfering, as they will, with the very heavy flow of water over the Horseshoe falls—will not have the effect of injuring the vested rights of power companies, and especially the plants of the Hydro-Electric Power Commission of Ontario, which is generating 780,000 horsepower in the Niagara zone. I am afraid that once this treaty is ratified, and permission is given to divert 10,000 cubic feet per second, they will not stop at that, but will divert more water to be used for other purposes, and then we shall not get the benefit of this beautification scheme, which is to cost in the neighbourhood of $1,750,000. I am surprised that there has not been criticism of this treaty by those gentlemen who are afraid of the sovereignty

of Ontario in the matter of the St. Lawrence waterway. If a treaty of this kind can be made in the Niagara river there is no question about our making a treaty also in connection with the St. Lawrence waterway with the people of the United States as to boundary waters and their common use by the two countries.

Mr. MANION: I should like to ask as to the cost of the special Niagara board which the Prime Minister mentioned, and the salaries, if any, of the new members.

Mr. STEWART (Edmonton): They are all civil servants, so they are getting no additional salary.

Hon. J. D. CHAPLIN (Lincoln): Mr. Speaker, while the reference and the report as issued by the special Niagara board are supposed to deal, and do deal, primarily with the preservation of the scenic beauty of Niagara falls, the main urge, I declare, is the question of power. The state of New York and the body in the state of New York that was especially created to protect the scenic interests, the Niagara State Reservation, own the bed of the Niagara river from the international boundary to the American side. They also own, and claim to own, the water, and they get a rental for the water. On this side of the river, from the boundary to the Canadian side, the bed of the river in front of the park is owned and vested in the Niagara Parks Commission, and they also get a rental for the water. They also own the water; that is the claim, and it is not disputed.

This new special Niagara board, which was appointed, as the Prime Minister says, in October, 1926, worked for one year and two months on this proposition of preserving the scenic beauty of Niagara, and during all that time they never thought it worth their while to consult with the state authorities of New York, as represented by the government of that state, nor with the State Reservation authorities. I am not going to refer particularly to the fact that during that year and a half, although the Niagara Park Commission was especially appointed for the preservation and conservation of both the falls and the gorge, this special board took up only twenty minutes of our engineer's time in that year and a half, or year and a quarter.

I want the house to know how the state of New York feels about this situation. I know that the Prime Minister will say that the province of Ontario is satisfied because he had a letter from the premier of Ontario saying that he was satisfied. But the point I want to make clear to the house is this, that the urge is power, because these gentlemen never applied for any assistance to the people who are especially endowed with knowledge as to the conservation of the falls. On the contrary, they immediately applied themselves to the power people, and they made their arrangement at once with the Hydro-Electric Power Commission of Ontario, and with a privately owned power corporation on the other side. Let me show how the governor of the state of New York feels about this question. A few days ago under date of February 11, 1929, that is this month, he addressed a letter to Senator Wagner, regarding the water diversion at Niagara falls. He says:

> I have delayed answering your letter of February 2nd for several days because it brings up a matter very vital to the interests of the people of the state of New York.
>
> You ask me three specific questions in regard to the attitude of this state concerning the convention signed at Ottawa between representatives of the United States and the government of Canada in relation to the diversion of water in the Niagara river above Niagara falls.
>
> This convention is intended primarily to preserve the scenic beauty of Niagara falls by preventing rapid erosion of the centre of the crest of the falls through erection of weirs or other structures in the bed of the river above the falls on both the New York side and the Ontario side, thus diverting sufficient water to the wings of the falls.
>
> This convention is the result of careful study made by the International Niagara Board, and this board worked out a plan under which an offer of the Hydro-Electric Power Commission of Ontario and the Niagara Falls Power Company, a private corporation of New York state, was recommended for acceptance. Under this offer the Ontario commission and the New York private corporation agreed to build the necessary weirs and structures in the bed of the river and asked in return the use, for a period of seven years, during the six winter months of each year, of 10,000 cubic feet per second of water on each side of the river. It is estimated that this 10,000 cubic feet per second on the American side would enable the Niagara Falls Power Company to develop between 80,000 and 100,000 horse-power.
>
> First of all I want to call your attention to the important fact that quite aside from the merits of this proposal the state of New York was in no way invited to participate in the discussions attending this proposal; to the second important fact that the proposed weirs and structures would have to be erected on the bed of the Niagara river owned by the state of New York, and to the third important fact, that use of ten thousand cubic feet per second proposed to be withdrawn depends on the consent of the state of New York to that withdrawal and to the satisfying of the state

of New York that if it is withdrawn the people of the state are to receive an adequate rental for this water.

In regard to the three categorical questions you asked me, I beg to advise you as follows:

(1) In pursuance of its long standing policy the state of New York requires that its consent is prerequisite before any disposition can be made of the additional ten thousand cubic feet per second of water made available for power development by the convention.

(2) In pursuance of the same policy of long standing the state of New York requires a charge for the use of such additional water, said charge or rental being determined in pursuance of the statutes of the state.

(3) In your other question you ask whether the state accepts the proposal to have the work of preserving the falls undertaken at private expense, and at the same time making available for private utilization by the Niagara Falls Power Company of the additional water to be diverted under the convention for a temporary period.

A careful reading of the proposed convention discloses the fact that the letter of the secretary of state transmitting the convention refers to a protocol to be agreed to between the United States and Canada. The protocol itself is appended to the convention and the protocol refers to the recommendations of the International Niagara Board. In other words, the three documents must be read together, and it becomes at once clear that the treaty itself is essentially an agreement to carry out a specific plan heretofore adopted. If the state of New York offers no objection to the ratification of the treaty by the Senate of the United States, the state may by inference be bound to the acceptance of the plan worked out between the International Niagara Board on the one side and the Ontario Power Commission and the Niagara Falls Power Company on the other. My easiest course as governor would have been to ask you and your colleagues in the United States Senate to oppose the ratification of the treaty as strongly as possible on the ground that the treaty ties the hands of the state of New York as to the methods by which the beautification and diversion can be arrived at, and forces the state to accept the offer of the Niagara Falls Power Company.

I think that I can speak for the whole state in telling you that we want to co-operate with the federal government and the congress of the United States in every way possible to aid in the preservation of the scenic beauty of Niagara falls and the Niagara river. That is why instead of direct opposition to the ratification of the treaty, I have tried, in a spirit of co-operation, to enter into a plan by which the scenic beauty of the falls can be preserved and at the same time all of the rights of the people of the state of New York in and to their property and governmental power can be equally retained.

After a number of conferences, I am glad to say that I have been able to obtain—

It will be noted, Mr. Speaker, that he does not rely on the federal government; he goes to the power company and makes them come to time.

After a number of conferences, I am glad to say that I have been able to obtain from the Niagara Falls Power Company a written stipulation duly executed by it, which stipulation fully preserves the property rights and governmental authority of this state.

[Mr. Chaplin.]

I might note the following facts in regard to the Niagara Falls Power Company:

(1) It is the only private company now in a position immediately and economically to utilize the proposed experimental diversion of the additional ten thousand cubic clear in this matter.

(2) The Niagara Falls Power Company has for a number of years been paying a rental to the state of New York for the water which it is now using.

(3) The Niagara Falls Power Company has paid this rental to the state under protest.

The stipulation signed by the Niagara Falls Power Company agrees that if it is allowed to use for seven years the additional water obtained from this experimental diversion it will—

First: Withdraw all objections to the payment of the rental now being charged by the state for existing water, and

Secondly: Will agree to pay such equitable rental for the additional experimental supply as may be determined by the state under the water-power act, and

Thirdly: Will recognize the necessity of obtaining a license from the state for the use of this experimental water.

Now, Mr. Speaker, what has the Niagara board done to protect the interests of the only people who have the right to collect rentals as far as Canada is concerned? They have done absolutely nothing. You in this parliament, under this treaty, would give the Niagara board authority to divert this water without saying one word about the rentals payable to us, although that water belongs to us under the power vested in us by the province. "Oh, yes," the minister will say, "but the province of Ontario should have looked after that." Well, I am looking after it now. I do not know whether it should be our duty to go to the other people the same as the state of New York has done with respect to the power company over there and insist upon their giving us a special agreement. But the Niagara Park Commission owns the bed of the river on which these improvements are to be made. Under the treaty, through the board you have appointed, you say: We will get a permit. But what will be done suppose the permit is refused? They say: We will wait for the improvements until the permit comes. I submit, Mr. Speaker, that when the government were making this treaty they should have taken the facts of the case into consideration and not allowed the situation to get into this mess. The state of New York has taken the bull by the horns, it has gone to the private corporation

and said: Do this or we will not let you make any improvements. The private corporation has done so and come to an agreement with the state. We are not in the same position. It is the duty of this parliament to protect the park commission.

Mr. STEWART (Edmonton): May I ask for information—do the Hydro commission pay your board any rental for the water diverted?

Mr. CHAPLIN: Oh yes; the Hydro, along with all the other power companies, pay a rental for the water to and through the park commission. We are the riparian owners.

Now, Mr. Speaker, I desire to refer for a moment to the Boundary Waters treaty of 1909, the treaty under which the power was originally diverted in a large quantity, and to point out to the house how the wording in relation to the water to be taken out is identical with the wording of the present treaty. Let me quote:

> The United States may authorize and permit the diversion within the state of New York of the waters of the said river above the falls of Niagara for power purposes not exceeding in the aggregate a daily diversion at the rate of twenty thousand cubic feet of water per second.

I should like to ask either the Minister of the Interior or the Prime Minister what that means. I take it to mean that at no time during each day can you use more than twenty thousand cubic feet of water per second. That is how it reads. The new treaty provision is in identically the same words, only that an additional ten thousand cubic feet per second may be diverted. In the interpretation of the treaty usually the courts are resorted to to elucidate or explain what may be in doubt; but in this case we have a board that does this for us. I do not think they ever had the authority but they are doing it, and I want to call the attention of the Prime Minister (Mr. Mackenzie King) to the fact that at the present time in the Niagara river, under the clause that provides for 56,000 cubic feet per second, 20,000 for them and 36,000 for us, more water is being taken than they have a right to receive. This board is allowing what they call a leeway or swing of 20 per cent, and they figure that, because their average over a certain period does not go beyond that therefore they are all right. But the treaty calls for 56,000 cubic feet, 36,000 on the Canadian side, and at no time must this be exceeded. One of the troubles there is accounted for partly by the fact that at times more water is taken than should be. That is why I said a little while ago that the urge was power.

I do not think that this is a matter which should be left to any board to determine. The treaty is quite explicit as it stands, that so much water shall be taken and no more. Let me confirm what I said regarding the new treaty, with reference to clauses 2 and 3 wherein it is provided that the additional diversion to be permitted within the State of New York shall not exceed in the aggregate a daily diversion at the rate of 10,000 cubic feet of water per second. The same applies to Canada.

Another question that arises is this. The Prime Minister says, "This water is being taken during the winter season at a time when tourists cannot see it." Let me say to the Prime Minister and to the Minister of the Interior (Mr. Stewart) as well, who is responsible for the treaty, that they are taking that water at the time when it is lowest. And there are thousands of visitors there. Perhaps they do not know that. But it is a fact that between the very dates when they propose to take the extra water the water is then at its lowest in lake Erie. They say, of course, that this is during the period when there is no tourist traffic, when the tourists will not be able to notice the diminution in the water. But, I repeat, they are taking that extra water at a time when the falls can least afford to have it taken. In clause 1, on page 3, it is provided that additional diversions shall be permitted only within the period beginning each year on the 1st day of October and ending on the 31st day of March of the following year, both dates inclusive. Well, as I have pointed out, the period within these very dates mentioned here is the period of low water, and that is the time they expect to take the extra water. And they camouflage the whole situation by declaring that this is the time when tourists cannot see the water; if there is any shortage of water, they claim, people will not be there to notice it.

The Prime Minister has said, and the Minister of the Interior also will say, that this board has great power. They will tell us, "We can stop it at any time we see fit." I ask the house this question: Is it a good policy to allow private individuals, private corporations to go on and do extensive work and then tell this house that they will be stopped before they have a chance to get back their capital investment? That does not sound very good to me. The very fact that you allow private corporations to invest their money implies that there will be always the urge on their part to seek to get back their money. This enterprise should have been undertaken by the federal authorities on

both sides of the river so that they could be independent of any private or semi-private corporation.

Now just a word or two with regard to the remedial works. I would invite attention to page 25 of the document giving the map of the falls; there you will see an airplane picture of the falls. In two places in the river submerged weirs have been put in. Now the beauty of the falls is partly in the rapids above the falls. This picture shows the rapids all in white water, and if you glance at the Canadian side of the picture you will see in two places the effect of the submerged weirs, over a large area. Wherever the weirs are put in, you have perfectly smooth water, and I for one am very dubious about putting in submerged weirs as a means of producing a good scenic effect. The beauty of that river lies in the broken water, and where you have a submerged weir, with water smoothly flowing over it, you have not that effect.

The park commission have had this matter under consideration for the last twenty years. They made the suggestion that some islands should be put in in place of submerged weirs. We saw the effect of the weirs and did not like it, and so we asked that this suggestion be considered. It was passed over in a few words. Let me give you the exact words of the report. They are not attributed to the park commission, but the language is so framed that we felt it constituted a statement of the case which was not in accordance with our views. On page 12 of the report this statement is made with respect to remedial works:

> All the plans for remedial works hitherto suggested have contemplated replenishing the flow over the flanks of the Horseshoe fall and in the American channel and at the head of Goat island. Certain plans, including those for the construction of a curved weir across the main part of the rapids above the Horseshoe, and those for distributing the flow by numerous islands in the rapids, have had for their main object a radical reduction in the heavy flow over the central part of the Horseshoe.

So far as I know, no one else but the park commission ever mentioned islands in any report. But these gentlemen add the word "numerous". We took exception to that before it was published; we told them that we had never mentioned the word "numerous" and we asked them to withdraw that word. They had that letter from us before the report was published. They had furnished us with a proof of the report two or three days before its publication. When they found we made objection to it they suddenly withdrew it, having left it in our hands for an hour, but they dated the report three days earlier than our letter. The report was published under date of December 14 while our letter, written to them with the proof of the report, was dated December 17, and they left the word just as it stood although we never referred to "numerous" islands. Anyone can see the effect of islands; if you look at the maps you will see islands in the river to the right of Goat island. There are three or four islands there, and certainly they look a lot better than any submerged weir, and will continue to look better.

The fact remains that this Niagara board never consulted us and never took up more than fifteen or twenty minutes of the time of our engineers during the year and a quarter they were there. I do not know the gentlemen who comprise the board, but I do know their work. Some of them are engineers, no doubt quite competent, and they view the question from a practical engineering standpoint. The park commission have something more than that to look after; we have consulted the best scenic authorities in America and have had them on the ground giving us advice. I cannot find in any of the reports or from any of the men that there is a scenic man on this board. An engineer may say, "Oh, we have a scenic man" referring to Mr. Macfarland. I dispute that; Mr. Macfarland is a publisher and for a long time has been identified with the publishing business. I have kept a record of Mr. Macfarland for a number of years, and here is a very strange thing. I guess in the United States they proceed as we do in Canada; here if a man wishes to abolish the senate he is appointed to the senate, and as soon as he receives his appointment he changes his mind about abolishing it. This gentleman for many years hammered the board for certain things they were doing and for taking water out of the Niagara. I have some of his work here, and when it was proposed to take 56,000 cubic feet from the river he went almost crazy. He even published pictures of Niagara falls running dry about fifteen or twenty years ago, with 56,000 cubic feet taken from it, but after being appointed to the board this same gentleman changed his mind and is now willing to take 20,000 cubic feet more from the river when there is less water going over than before. That is pretty good, I would say. Let me refer to just one of his articles, published when he belonged to the American Civic Association. It is headed:

The Impending Destruction of Niagara Falls.

This is dated 1905, when the agitation was going on, and when it was intended to take

56,000 cubic feet from the falls. The article proceeds:

> Ten power-developing companies (four American and six Canadian) now have authority to utilize 35¼ per cent (1,339,500 horse-power) of the effective power of the falls. . . .
>
> If even half the authorized amount of water is withdrawn above the cataract, the American rapids will be entirely bare of water. . . . .

You can see that this gentleman was not very much of a prophet; he did not see what was going to take place and certainly he could not have believed his statements of a few years ago when he can consent to the withdrawal of an additional 20,000 cubic feet from the falls. I have a whole book full of material having to do with this gentleman; he is a publisher, and is no more entitled to have the word "scenic" attached to him than I am, and perhaps not so much. So far as I am concerned I have lived with this proposition for some twenty years during which I have been on the board, and we have been grappling with it all the time. He has been fighting it in the United States, but now he turns around and comes out in favour of the diversion of more water.

I started out by saying, Mr. Speaker, that the whole thing was a power proposition, and I ask that the government of Canada go slow and be very careful in what they do at Niagara. Personally I believe something can be done; whether or not you are on the right track I do not know, but as I have already said you have no right to ask a private corporation to spend their money on a proposition of this kind, because they must get that money back. That is the point I want to convey; they must get that money back and the impulse which will come to any one in charge is to give them a chance to do so, which is not in the best interests of scenic Niagara.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I was greatly interested in the statement made by the hon. member for Lincoln (Mr. Chaplin) with respect to the remedial works proposed to be placed in the Niagara river to preserve the scenic qualities of the falls, as well as to provide for a temporary diversion of 20,000 cubic feet divided equally between the two countries. I did intend to give a somewhat lengthy and detailed explanation of the whole matter, but in view of what has been said by the Prime Minister, supplemented by the remarks of the two hon. gentlemen who have just spoken, I think I can dispense with that.

In 1922, when I became Minister of the Interior, one of the first questions presented to me was this problem of the preservation of the falls. My hon. friends have stated that it has been a matter of controversy for years, and I think wisely so, from my own observations and speaking from what I have been able to observe at Niagara falls. Neither the hon. member for Lincoln nor the other speaker will deny that gradually, year by year, the concentration of the flowage there is getting through the Horseshoe and that there is not the same recession on the other parts of the crest of the falls. So much is that the fact that the water has practically ceased to flow next to Goat island, and for a large part of the year the whole crest line is exposed for a considerable distance from Goat island towards the Horseshoe. Naturally this has caused some concern.

Here and now I want to say that no one regrets it more than I do if the board appointed by the provincial government of Ontario for the purpose of preserving the park and the scenic qualities of the falls was not fully consulted and presented with every detail ascertained by the engineers of both governments. First let me say that no one can negotiate a treaty but the federal government at Ottawa and the federal government at Washington. If there is to be any change, of necessity these two governments must take the responsibility of making the treaty, and I do say that the first duty of a minister, the advisor of the federal government, is to keep himself fully in touch with the provincial governments affected. It is needless for me to say that the provincial government of Ontario would be vitally affected by any change which might take place in connection with this matter. We took the precaution of keeping very closely in touch with them and also had the advice of the Hydro engineers during the whole of this investigation. They played as large a part in arriving at the conclusion as did our engineers. In addition, there was complete collaboration with the American engineers before any definite program was laid dawn as to the purpose for which the board was created. Early in 1923 we directed our attention to the very matter which my hon. friend complains about, namely, that we were rapidly approaching a period when the power interests on both sides of the river would have full utilization of the 56,000 cubic feet per second provided for in the former treaty. We had not taken the precaution of ascertaining how much water was being used on our side, so we immediately set about that task and informed ourselves as to the flowage passing through these plants, and obtained full data on that particular question. In 1923 or 1924 —I am not exactly sure of my date—I visited

Niagara Falls and saw a panorama which had been made up—no doubt my hon. friend has seen the same thing—by the American engineers. The water was turned on this model and showed the proposed improvements in order that we might see just what the effect would be.

Mr. CHAPLIN: You are referring to the miniature falls on the other side of the river.

Mr. STEWART (Edmonton): Yes.

Mr. CHAPLIN: That was prepared by the power company.

Mr. STEWART (Edmonton): That is quite right, but it was very interesting to see what the effect would be.

Mr. CHAPLIN: They were using islands in place of submerged weirs.

Mr. STEWART (Edmonton): On the only occasion I saw it I was informed that they were going to experiment with submerged weirs rather than with the islands.

In 1925, after having discussed this matter with the American government, we appointed a board to make a complete study of the question. With the jurisdiction of the state of New York or that of the province of Ontario or of the board or boards entrusted with the responsibility of preserving the scenic beauty of these particular areas, I, as a representative of the federal government, was not concerned. I confined my own discussions to the province of Ontario, and more especially to the officers of the Hydro who are very large users of the power on the Canadian side. If the Ontario Hydro are paying rental for the water already used by them I see no reason why they should not pay rental for the additional water provided for under this treaty. However, that is a matter to be dealt with by my hon. friend's board and the Ontario government; that is something which does not concern us.

Mr. CHAPLIN: How about the state of New York?

Mr. STEWART (Edmonton): I do not know anything about what arrangements exist in the state of New York: I had no dealings with that state at all.

Mr. CHAPLIN: I never said you had, but you gave the board you appointed authority to act.

Mr. STEWART (Edmonton): It was undoubtedly the duty of the American representatives on that board to inform themselves on every phase of the question.

[Mr. C. A. Stewart.]

Mr. CHAPLIN: It was the business of the Canadian members to do the same thing.

Mr. STEWART (Edmonton): It may have been an oversight on the part of the board, but I would say to my hon. friend that the body who appointed himself and his board were consulted on every occasion.

Mr. CHAPLIN: I know that to be the case, and I stated so when I spoke.

Mr. STEWART (Edmonton): In dealing with the United States government we were dealing with those with whom we were making the treaty we were not making a treaty with the state of New York. We could not make a treaty with the state of New York, and if there was a difference of opinion between the American engineers charged with the responsibility of making a report to their government and the state authorities, I have no knowledge of the fact nor do I think it is of any particular interest to this house.

Mr. GEARY: Will the minister state on what ground the government of Canada thought they could deal with this matter? Was it a question of the peace, order and good government of the Dominion, or in what way did the Dominion profess to deal with it?

Mr. STEWART (Edmonton): It is the only way it could be dealt with; it certainly could not be dealt with by the Ontario government.

Mr. GEARY: Perhaps I have not made myself clear. You are dealing with a province in a matter that does not involve any question of a navigable stream, and I want to know under what Dominion jurisdiction the minister acted.

Mr. STEWART (Edmonton): I do not consider it necessary to cite any particular statute or clause giving us authority. Having the assurance of the premier of Ontario, and of the manager of the Hydro that this treaty was entirely satisfactory, before we attempted to negotiate the treaty, I thought I was on safe ground in advising the government.

Mr. GEARY: Has the government any binding form of consent or authority from the provincial government to deal with the lands in question, the river bed and that sort of thing? I would be very glad if the minister would say just how that consent came about.

Mr. STEWART (Edmonton): Remedial works in question are to be undertaken by the Hydro, who are parties to the treaty and who, I assume, are the creation of the

provincial government and have that government behind them. I say to my hon. friend that the authority which created his board is in agreement about these remedial works proposed by the treaty.

Mr. GEARY: By letter, resolution, order in council or what?

Mr. STEWART (Edmonton): By letter, which I will produce if my hon. friend desires.

Mr. GEARY: I would like to have it.

Mr. STEWART (Edmonton): I do not have it in my possession at this minute, but I will obtain it later on.

I do not think my hon. friend, even with his thirty years' experience, is competent to say what engineering works are necessary to bring about this desirable result. These works are the result of the best judgment of a corps of engineers most of whom are of outstanding ability. Doctor Camsell is not an engineer but he was placed on this board by this government because of the fact that erosion played a very important part in arriving at a decision as to what measures should be taken to remedy the apparent evil on the crest line of the falls. What the engineers hoped to do—I am discussing this purely as a layman—is to spread the water more evenly over the crest of the falls and stop the divergence into the Horseshoe falls which is receding at a much more rapid rate than the full crest line. Eventually, if it is not stopped, it will destroy the scenic beauty of the falls. I do not think that will be contradicted.

Part of the improvement is the proper distribution of flowage, so that the flow will cover the whole crest of the falls. They state in the report, that that is what they believe will happen when these remedial works are completed. My hon. friend has made a great deal of the fact that they have stated in the report that the increased flowage will occur only during the non-tourist season and, as he points out, at the low flowage period of the river itself, and that therefore it will do no harm. What I want to point out to my hon. friend in addition to that and what I think he has missed, is that they state most emphatically that, in regard to the scenic effect and the lighting effect, the full covering of the crest line of the falls will come as a result of these works at every period of the year.

Mr. CHAPLIN: I never disputed that. I do not dispute it now. I admit it.

Mr. STEWART (Edmonton): I am satisfied if my hon. friend admits that; that is conclusive, and I wish to present the case to the house as I get it from the report of the engineers. Competent engineers on both sides have made a careful study of this matter; they have investigated all the proposals that were made to them as being necessary for the protection of the scenic quality of the falls. They have taken the precaution to recommend that this diversion shall continue only for a period of seven years. During that period they have stated that the board will continue carefully to watch the improvement and ascertain whether further remedial works than those proposed will be necessary.

Mr. CHAPLIN: What has the minister to say about this work being done by private enterprise on the one side?

Mr. STEWART (Edmonton): I was coming to that. If my hon. friend's contention was correct that it was entirely private enterprise, there might be something in it, because I am willing to admit there is something in the argument of my hon. friend that, if it is found that these works are not sufficient for the purpose for which they are desired or that, by their installation and by the diversion of additional water, the falls will suffer, then because private capital has been put in, we would be compelled to continue the work for the period of seven years. My reply to that is that it will be at least three years or a fair proportion of three years out of the seven before these works are fully completed. As regards the Canadian side of the improvement I was attracted to it owing to the very fact that my hon. friend has mentioned, namely, that there is a scarcity of power, but I would require to be assured that the abstraction will not in any way affect the scenic qualities of the falls themselves. I have that assurance. My hon. friend doubts that, but I am giving him the word, as I have said, of a corps of competent engineers, and the Ontario government, who are the creators of and who own the Hydro system, are going to provide one-half of the cost of the installation.

Mr. GEARY: The Ontario government do not own the Hydro system. The municipalities own it.

Mr. STEWART (Edmonton): My hon. friend will admit that it is always stated that it is a provincial institution. It may be the municipalities, but it is the people of the province of Ontario—

Mr. GEARY: That is right.

Mr. STEWART (Edmonton): —who constitute one of the consenting parties to this

agreement. The members of the house may not agree that the people of Ontario represented by their government, knew what they were doing, but I say that they knew every detail, both of the work itself with respect to the suggested development and of the cost. Indeed the cost was arrived at by collaborating with their own engineers so that what I have to say as a representative of the federal government is that, knowing these facts, I, with full confidence, recommended that the Dominion government join with the United States government in the ratification of the treaty.

Mr. GUTHRIE: At the end of the seven-year period, do all the works revert to Canada or Ontario, as the case may be, and do the power companies on either side cease to have any interest in them?

Mr. STEWART (Edmonton): As regards the interest of the power companies in the 10,000 cubic feet per second, it would end at the expiration of seven years. The works themselves would become the property of the provincial government or the state; as they are placed on provincial or state property, naturally they belong to the bed of the stream.

Mr. GUTHRIE: At the end of the seven-year period the 10,000 second feet on either side of the river will cease to be used for power purposes. Is that correct?

Mr. STEWART (Edmonton): Unless a new arrangement is entered into with respect to it. That is the period for which the trial under the provision is stated.

Hon. HUGH GUTHRIE (South Wellington): I have only this to say in regard to the seven-year period, that my experience with respect to government undertakings of that kind has not been very good. I was engaged at one time on behalf of a former government of this country in connection with an application by a United States corporation known as the Aluminum Company of America, to divert temporarily a large flowage of water from the river St. Lawrence to the Long Sault rapids. The case occupied about ten days in the city of Montreal. It was held by the International Joint Commission that the application was launched as a war measure; the additional power was required by the aluminum company at their works in the state of New York to produce aluminum war goods. It had the sanction of the President of the United States. An arrangement was ordered by the International Joint commission to give the aluminum company a special diversion of water from the St. Lawrence river for the purpose of their works. They were to construct weirs, dams and the like for a period of five years after which the dams were to be taken out and the water restored to its natural flow. But what happened? The arrangement was subsequently made a permanent one. They have this diversion of water and they are using it to-day. I am afraid that what happened in that case is very likely to happen in the present case.

Mr. STEWART (Edmonton): The mere fact that they got the five-year period did not in any way entitle them to receive a continuation of their contract.

Mr. GUTHRIE: But they got it and the argument used in that case will be the argument used in this: there is the dam; there is the expenditure; why allow this water to run to waste? At the end of the seven-year period it will be said: This flow of 10,000 cubic feet on each side was to be utilized for power purposes; it has been so utilized for seven years; why not let it be used in the future? This looks like a permanent diversion of 10,000 cubic feet of water on each side of the river. Speaking for myself, and for myself alone, as the Dominion government seems to be satisfied with the arrangement, and as the government of the province of Ontario seems to be satisfied with it, notwithstanding that personally I am doubtful as to the propriety of the arrangement, I am willing to let it go.

Mr. CHAPLIN: Suppose the weirs which are to be erected in the bed of the stream, which is vested in the park commission, prove unsatisfactory for the work they are intended to do; how are you going to get them out, and who is going to pay for taking them out? There is no provision for that at all.

Mr. STEWART (Edmonton): My hon. friend has asked me a question which I would not care to answer without previously consulting the engineers. It is an engineering problem wholly.

Mr. CHAPLIN: I think it is a legal one.

Mr. STEWART (Edmonton): My hon. friend will note that according to the agreement itself, so far as the engineers are able to judge, the works will provide a complete remedy; but if they do not, there is provision that further remedies may be provided. My hon. friend may rest assured that the engineers will not leave in the bed of the stream anything which they are satisfied will be injurious.

Mr. CHAPLIN: They are not sure about this plan themselves, and so they have made provision to go ahead and try it. It is so stated in the agreement.

Mr. STEWART (Edmonton): If my hon. friend is determined not to accept the judgment of competent engineers, then I have nothing more to say.

Hon. R. J. MANION (Fort William): I just wish to say a few words on this matter. I do not feel myself capable of entering into the controversy, but I have listened with a great deal of interest, as all hon. members no doubt have done, to the speeches that have been made on this question by the Prime Minister, the Minister of the Interior (Mr. Stewart) and by my hon. friend from Lincoln (Mr. Chaplin), because if there is a beauty spot in all Canada which should be preserved for our children and their children, it is Niagara falls. Away back in the days of the old French explorers, we have references to its great beauty, even by men most of whose time was taken up fighting the Indians. I remember reading just the other day a statement by one of the old explorers, Hennepin, who was the first to point out the beauties of Niagara falls, and from that time on to this day, Niagara falls has been one of the scenic wonders of the world. I do not know anybody who has visted the falls on a number of occasions who has not come away each time with a greater appreciation of its sublimity than he had on the previous visit. Therefore I say that anything that can be done to preserve the beauty of the falls should be done.

The hon. member for Lincoln is a member of that board, representing the province of Ontario, whose sole duty it is to preserve the scenic beauty of Niagara falls. The members of that board have no financial interest in the matter whatever. I believe I am correct in saying that they have been working on the board many years without cost to the province of Ontario, and their whole efforts have been to preserve its beauty for the province and the Dominion generally.

There has been a dispute apparently here this afternoon. The hon. member for Lincoln points out that while submerged weirs may bring about a spreading of the water, they do not result in as beautiful an effect as an island or a series of islands would. The point I wish to make is that as there is some dispute as to the results to be obtained from the standpoint of beauty by the construction of these proposed remedial works, as there is some doubt as to their effectiveness in the minds of this board which has been charged with the preservation of the beauty of the falls for many years, on behalf of the province of Ontario and Canada generally, I think this whole treaty should be held up temporarily, at least, until further consideration can be given to it. It seems to me extraordinary—I am not saying this in a critical spirit, because I suppose it was an oversight—that the board appointed by this government should not have consulted the one body in Canada which has been giving its time and its energies to preserve this magnificent and sublime scene in all its beauty for the people of this country, and, indeed, the whole world, and if for no other reason, I think the whole matter should be held up for further consideration. We all know that there has been a gradual process of erosion going on at the apex of Horseshoe falls. The Prime Minister said this afternoon that it amounted to 3.7 feet per annum, and that some remedial works are necessary to preserve the scenic beauty of the falls. It has been suggested by my hon. friend from Lincoln, and after listening to this whole debate very carefully I would say, properly suggested, that this whole scheme is a power scheme, and therefore I do think that the one body in Canada that is particularly interested in Niagara falls from the standpoint of beauty should have been consulted. They should have been given an opportunity to discuss this whole question with the Canadian board, and with the American board, perhaps, and should have been given the opportunity to present their conclusions after all these years of study.

There is another reason why I think this matter should be held over. I have been told—I heard it stated yesterday—that the hon. leader of the opposition (Mr. Bennett), who has been called out of the city by reason of the illness of a relative, wished to take part in this discussion. For that reason also I should like to see this question held over. After all, I do not think there is any great hurry. I do not think the treaty has been ratified by the American senate, and in this materialistic age I do not think there is any need for us to hurry simply because there may be a desire to develop more power by some company or companies. We should not be hurried by such a consideration in a matter of this kind. I suggest with due respect to the Prime Minister that he hold over the consideration of this treaty for two or three weeks, so that this commission of which my hon. friend from Lincoln is a member, and of which all of us who have given any thought to the matter are so proud, because of the work they have done in beautifying the parks adjoining the falls, may be given an opportunity to consult with the new board that has been appointed.

Mr. G. R. GEARY (South Toronto): My friend who has just sat down (Mr. Manion) has touched upon a point which I think is very well worthy of consideration by the Prime Minister (Mr. Mackenzie King), and it is a point upon which I venture to ask a question. I would like to know very definitely what form the consent of the province of Ontario took. Who instituted this inquiry, and how closely has the province of Ontario kept in touch with the work of the engineers? It seems to me extraordinary that the province of Ontario, if it were keeping closely in touch with the engineers, would neglect to consult the body of all bodies which has had to do, not with electric power, but with the scenic beauty of the falls. That has been professedly the first consideration, and it is therefore scarcely understandable that the province of Ontario should have neglected to consult the body which has scenic beauty in its care, rather than the development of power. If the minister will consider the circumstances of the appointment of this board, he first of all had the nucleus of the board in the presence of two gentlemen who had to do with overlooking the diversion of water provided for under the treaty of 1909. They are more or less power engineers; at least, I judge that they had to do with the diversion of water for power purposes. To this nucleus there were added two other engineers, but the board is primarily a power board. By whom was it instructed, and on whose letter is that board working? On the letter of two power companies, people primarily interested in power, the Hydro-Electric Power Commission of Ontario, and some power company on the other side of the river. So that you have loaded against you, so to speak, on the power side as against the scenic side, the personnel of the board, as well as those who are advising the board. When the hon. member for Lincoln discussed the question of submerged weirs, as opposed to "weirs," rising above the surface in the form of an island, or however they may be built, he was speaking of something which he has had every opportunity to study thoroughly. Those weirs will be left. The power people may fall down with respect to the scenic aspect, but you may be quite sure that when they finish putting in the weirs, those weirs will be amply sufficient to divert the water necessary under their plans, that is, ten thousand cubic feet per second. So I would suggest to the minister that he keep a very close eye on the development as it affects the scenic feature of the falls. After all, I think that is what we here are most interested in. We get only ten thousand cubic feet per second as against the ten thousand allowed the United States. The original proportion was as 36 to 20. Why are we not getting the same proportion of the additional diversion instead of only one-half?

I agree with the member for Fort William (Mr. Manion) that after the very careful presentation by the member for Lincoln, who knows the situation so thoroughly, and having in view that the chief object of this house is the preservation of the scenic beauty of the falls and not the development of power, more time might be given for the consideration of this question.

Mr. MACKENZIE KING: May I say, Mr. Speaker—

Mr. STEVENS: Is the Prime Minister going to close the debate?

Mr. MACKENZIE KING: No, that is exactly what I am not going to do, but I wish to make reference to the request that the debate be adjourned till the hon. leader of the opposition returns. May I say that when I learned the hon. leader of the opposition unfortunately was to be called away, I crossed the floor and asked him if there was anything on the order paper which he would wish to have held over until he returned, because if so I should be pleased to endeavour to see that his wishes were met. The hon. leader of the opposition assured me to the contrary, and advised that the government proceed with the orders exactly as we might wish. That is the reason why we are proceeding to-day with this resolution. Inasmuch, however, as it has been suggested that the resolution be held over until the leader of the opposition returns, I am only too happy to accept the suggestion. It is quite possible that the leader of the opposition may not have thought of mentioning his wishes to me, but afterwards may have mentioned to others that he would like to speak on the resolution.

I might add, Mr. Speaker, that the federal government acts of necessity as the government which has to do with the negotiation of treaties with a foreign country in matters of national concern. In taking up this matter, however, the federal government has had in mind primarily the province of Ontario and its special interest in addition to that of the entire Dominion in the scenic beauties of Niagara falls. If in Ontario the provincial authorities, who have been closely in touch with this matter throughout, and to whom it is of more concern than it is to the authori-

ties of any other province, do not wish to have the treaty proceeded with, the government certainly will not press the matter further the next time the treaty is under discussion.

Mr. MANION: May I correct an impression that I gave the house? I had no authority to speak for the leader of the opposition, but I heard him express his intention when this matter came up to take part in the discussion. I quite agree with the Prime Minister that the leader of the opposition might easily have overlooked this. But I think an adjournment of the debate would serve two purposes; it would give him an opportunity to take whatever part in the debate he may think advisable, and, more important still, it would give time for reconsideration of the whole proposition.

Mr. MACKENZIE KING: I do not wish it to be understood, Mr. Speaker, that the government has any doubt in its mind in regard to the matter. But seeing that the province of Ontario is primarily involved, and that the government has relied upon the engineers of the Ontario government to keep advised the Ontario government as well as the agencies of that government, I am quite agreeable, in view of my hon. friend's request, to have the debate adjourned.

Mr. SPEAKER: Mr. Stevens moves, seconded by Mr. Stewart (Leeds) that the debate be now adjourned.

Motion agreed to and debate adjourned.

CANADIAN NATIONAL RAILWAYS

AGREEMENT FOR PURCHASE OF ALBERTA RAILWAYS

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient—

1. To ratify and confirm the agreement dated the 6th day of February, 1929, between His Majesty the King in the right of the province of Alberta and the Canadian Pacific Railway Company and the Canadian National Railway Company, for the purchase of the undertakings of the Edmonton, Dunvegan and British Columbia Railway Company, the Central Canada Railway Company, the Central Canada Express Company, the Alberta Great Waterways Company, and of the province in respect thereof and also in respect of the Pembina Railway Company.
2. To incorporate the Northern Alberta Railways Company, in which are to be vested the said jointly acquired railways.
3. To authorize the governor in council to guarantee the principal and interest of the securities to be issued by the Canadian National Railway Company, to an amount or amounts fixed from time to time by the governor in council, for the payment of one-half the purchase price and one-half of the obligations assumed under the said agreement.

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

Mr. STEVENS: Will the minister bring down the agreement when the matter is under discussion?

Mr. DUNNING: Yes.

Motion agreed to.

AGREEMENT FOR PURCHASE OF QUEBEC, MONTREAL AND SOUTHERN RAILWAY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to provide that the Canadian National Railway Company may purchase the undertaking and railway of the Quebec, Montreal and Southern Railway Company for $6,000,000; and that the governor in council may guarantee the principal and interest of securites to be issued for this purpose by the Canadian National Railway Company, not exceeding in aggregate face value such amount as the governor in council may consider sufficient to raise the said sum.

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

Mr. STEVENS: May I ask the minister if he will lay on the table the correspondence leading up to this agreement prior to its adoption by the committee?

Mr. DUNNING: In that regard, Mr. Speaker, as I explained on a former occasion, I have no correspondence other than with the management of the Canadian National railways who undertook the negotiations. But any information which is desired can be secured at some stage of the proceedings. I suggest to my hon. friend that inasmuch as I intend to recommend to the house that the bills to be based on these two resolutions be referred to the committee on railways, canals and telegraph lines, in order that we may summon the officers who undertook the negotiations and who will be prepared to give any information

that may be desired, that would probably be the better time to go into these matters. If it is agreeable to my hon. friend it would facilitate matters to proceed in that way in both cases.

Motion agreed to.

CENTRAL EUROPEAN IMMIGRATION

On the orders of the day:

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I would like to ask the Minister of Immigration (Mr. Forke) whether he has received any representations from editors of Ukrainian newspapers or any other responsible Ukrainian bodies denying certain insidious insinuations made in the Winnipeg Free Press and the Winnipeg Tribune of February 6 and 7, and in the editorial columns of many of our Canadian dailies, wherein it has been stated that Central Europeans domiciled in western Canada are preparing to deluge Ottawa with petitions protesting against what is termed "the discriminatory ruling against the entrance into Canada of more than a very limited number of Central Europeans," and that, failing action on the part of the Immigration department, these petitions would be effectively reinforced by united action in seventeen federal ridings in Canada at the next Dominion election. I might point out to the hon. Minister of Immigration that I have in my possession absolute denials from the editors of two Ukrainian newspapers of any such contemplated action on the part of Ukrainians in Canada.

Mr. SPEAKER: Order.

Hon. ROBERT FORKE (Minister of Immigration): In reply to the hon. member, Mr. Speaker, I may say that I have received no such petitions or communications. I have had communications of an exactly opposite character.

IMMIGRATION DEPARTMENT REPORT

On the orders of the day:

Mr. W. E. TUMMON (South Hastings): I have not yet seen the annual report of the Department of Immigration and Colonization. Will the minister intimate when we may expect that report.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): The report will be down in a few days; it is in the hands of the printer.

[Mr. Dunning.]

VANCOUVER HARBOUR COMMISSION

LOAN OF $10,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to authorize a loan to the harbour commissioners of Vancouver in an amount not exceeding $10,000,000 to carry on the construction of terminal facilities, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. CARDIN: This resolution provides for the introduction of a bill to authorize an advance of $10,000,000 to the harbour commissioners of Vancouver. The representations made to me by the commissioners are that they need this sum of money for the following purposes: First, for the redemption of commissioners' mortgage notes issued for the balance of the purchase price of the property known as the Hastings mill, the amount of these notes being $1,950,000; secondly, to provide for developmental work on the above property in the way of docks and terminal facilities; and, thirdly, for needed extensions to the elevator facilities. This probably will be for financing only; these facilities will likely be leased in advance for an amount covering interest and sinking fund.

There is no doubt that the harbour of Vancouver is in need of further development. Business has been increasing there rapidly, last year having been an exceptionally good year in the administration of the harbour. The receipts of the harbour of Vancouver, amounting in 1924 to $1,870,000 totalled in 1928, $2,057,739. The expenditure has been a little less than it was in 1924. In 1924 the expenditure was $1,741,000 and in 1928, $1,682,000. So that after paying interest on the money advanced by the government to the commissioners and providing for the sinking fund the commission is left with a very substantial surplus. It is quite clear, therefore, that the business of the port has been very good. And it is contended that the facilities asked for will help materially in still further increasing that business.

There are certain details which I have asked the commissioners to furnish me with before we get through with the bill, and under the circumstances I would ask the committee, if

there is no serious objection, to allow the resolution to be reported and have the bill introduced, as was done in the case of the Montreal harbour commisison bill. The details can be supplied when the bill is before the committee. That is the procedure we followed with the Montreal resolution and I think it would help to expedite matters if it were adopted in this case. No hon. member will lose any opportunity of securing all the details he may require when the bill is under consideration. I shall then be in a position, as I am not now, to answer questions. I have not yet received from the commissioners the information I have asked for.

Mr. GARDINER: I presume the minister will have full information regarding the total expenditures under this loan, including the amounts spent for docks, elevators and so forth. He will have all those details.

Mr. CARDIN: Yes.

Mr. GARDINER: Can the minister tell us what surplus accrued last year after providing for sinking fund and so on?

Mr. CARDIN: That can be calculated from the figures I have given. The total receipts, to be exact, were $2,057,739.02. The total expenditure, including interest and sinking fund, I have given.

Mr. GARDINER: I presume the minister will be able to give information in the way of an official statement with regard to the terminal elevator.

Mr. CARDIN: Yes.

Mr. GARDINER: That is very important.

Mr. CARDIN: I will, certainly.

Mr. GARDINER: The minister has all the particulars?

Mr. CARDIN: Yes.

Mr. POWER: Merely as a matter of information, may I inquire by what authority the Vancouver harbour commission, or for that matter other commissions, issue notes, for the redemption of which a certain sum is asked, in the present case by this resolution?

Mr. CARDIN: It is done under the law incorporating the harbour commissions.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 66, to provide for a further loan to the Vancouver harbour commissioners.

Motion agreed to and bill read the first time.

THREE RIVERS HARBOUR COMMISSION

LOAN OF $2,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Three Rivers in an amount not exceeding $2,000,000 to carry on the construction of terminal facilities, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. CARDIN: The harbour of Three Rivers is not so important as the harbour with which we dealt last, but this port is very useful to the city of Three Rivers and also to the adjoining communities. As hon. gentlemen know, the city of Three Rivers is an important centre for the production of paper and is also one of the most important cities in the province of Quebec from an industrial point of view. During past years expenditures have been made on this harbour through the Department of Public Works; expensive wharves have been built and a certain amount of dredging carried on. In view of the request from the commissioners for an advance of $2,000,000 to place them on an equal footing with other harbour commissions, the government have decided to stop the expenditures formerly made through the Department of Public Works, and this money is to provide for necessary developments and increased facilities.

The port of Three Rivers is largely used for the importation of coal necessary in the production of pulp and paper, and it might be interesting to know the amout of business done by this port in the past. I have not the complete figures, but during the year 1924 the total receipts were about $39,000 and during 1928 they increased to roughly $74,000, so that in four years the receipts have practically doubled. In 1924 the expenditures amounted to about $24,000 and in 1928 to $34,000, in

round figures, so after providing for their expenditures and meeting their indebtedness the commissioners are left with a relatively large surplus.

Mr. HEAPS: Might I ask the capital expenditure involved for the year 1928?

Mr. CARDIN: I do not know that I have that information. The liabilities are: Debentures at 5½ per cent, $200,000; debentures at 5 per cent, $27,500 and an advance from the federal government of $82,000, making a total indebtedness of $309,500.

Mr. GARDINER: Have they paid the interest on all these debentures?

Mr. CARDIN: Yes; the interest is included in the expenditures I have mentioned.

Mr. HANSON: Just for the sake of information I would like to ask the minister with reference to the port of Three Rivers, which we all recognize as a very important industrial city, whether it is not a fact that the principal users of the port are the big paper companies. If that is so, why do they not supply their own facilities, as they do elsewhere? Then I would like to know from the minister just what are the principal imports and exports. He has said that coal is the principal import; naturally that is used by the pulp and paper mills of the Three Rivers district. Then I understand that there are also very substantial imports of pulpwood; for instance, in recent years, a substantial quantity of pulpwood has been shipped by the International Paper Company from the Miramichi district in New Brunswick to Three Rivers. Why is it that these paper companies, which are so prosperous, do not supply their own port facilities? Why do they ask the government to do this work when in other parts of Canada the big manufacturing establishments have to do it themselves? I would like to know from the minister also what are the principal exports; if they are paper products from the mills located in that district why should not these companies supply their own facilities? I am not saying the policy is wrong, but I am merely asking for the sake of information.

Mr. CARDIN: It is true that the main imports are coal and pulpwood and the exports are mainly paper products, but when these big companies use the facilities they pay the dues. If they had their own wharves they would use them and the public would not have the advantage of such facilities. For instance, there is a steel plant at Three Rivers, and if my hon. friend's suggestion were adopted they could not use these facilities. I see nothing wrong in the fact that most of the facilities are used by the paper companies provided they pay for them, as they do. They are not getting any special privileges; they pay for the use of the wharves and at the same time these facilities are available to other concerns in the locality.

Mr. HANSON: I am not suggesting there is anything wrong about it; the minister must not understand that from my remarks. This is a matter of public policy which I presume has been well studied, and if all the other ports of Canada were doing the business industrially, that they are doing at Three Rivers I should be only too glad. As a matter of fact, however, is it not true that about ninety per cent of the total imports and exports are occasioned by these big paper companies who are supplied with these facilities at the public expense? It is true that they pay the charges, but why should Canada make these capital expenditures for large corporations who are able to take care of themselves?

Mr. CARDIN: At the moment I would not be ready to admit that ninety per cent, eighty per cent or even seventy-five per cent of the business of the port is done by these mills. Hon. members will realize that Three Rivers, with a population of 35,000 itself and more than that in the surrounding district, is in need of harbour facilities, and the harbour is used not only by the industries of Three Rivers but also by those in the surrounding districts such as the towns of Grand-Mere and Shawinigan. These two towns are quite important, and the port serves not only the north shore of the St. Lawrence but the south shore as well. A ferry runs from the south shore to Three Rivers. The south shore of the St. Lawrence will benefit through the facilities provided for the export of agricultural products. I think the facilities in the harbour are necessary for the general good of the community, outside of the use which will be made of them by the large power companies.

Mr. HANSON: Will the minister give us the value of the agricultural exports through the port of Three Rivers?

Mr. GARDINER: The minister stated, I think, that the total income for 1928 was $74,000, while the expenditure was $34,000, leaving a surplus of $40,000. It is proposed to expend $2,000,000, and if the rate of interest on the bonds is put at 5 per cent it means an interest charge of over $100,000. I suggest that on the second reading of this bill the min-

ister have the information available which will show how that extra $100,000 is to be obtained from the traffic going through that port. Can the minister give any information as to the total expenditures made prior to the time the commission took over this harbour, and whether the commission has been charged up with those expenditures, the same as was done with Quebec?

Mr. CARDIN: I have not that information, but I will get it and present it on the second reading.

Mr. GARDINER: I want to know if we are treating this port the same as Quebec, or whether some new arrangement should be made for Quebec.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 67, to provide for a loan to the Three Rivers harbour commissioners.

Motion agreed to and bill read the first time.

CHICOUTIMI HARBOUR COMMISSION

LOAN OF $2,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Chicoutimi in an amount not exceeding $2,000,000 to carry on the construction of terminal facilities, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

He said: In this case we are dealing with a locality which is practically new in the field of industry. Chicoutimi is situated at the head of the Saguenay river, about seventy miles north of the St. Lawrence. That river is the discharge of lake St. John which is a very large reservoir of water and has been used lately for the development of important water-powers. As a result of this development of lake St. John, ten or fifteen industries have been established in that locality. In the region of that lake about 1,500,000 horse-power will be developed. No one can doubt the importance of that locality from an industrial point of view when this power development is finally completed. At the present time a large amount of power is being developed and is ready for the market. Practically the whole of the operations of the American Aluminum Company are to be carried on at that place.

Eight or ten years ago the town of Chicoutimi had a population of about 7,000, but to-day there is a population of about 15,000, and there are over 60,000 people in the surrounding district. At present the only harbour facilities at this point consists of a wharf about 500 feet long. A large amount of coal is imported for the use of the mills and other plants established in the vicinity of lake St. John and Chicoutimi. In 1925, even with the poor facilities, nearly 115,000 tons of goods went through the port of Chicoutimi, and also a large amount of dressed lumber. At the present time there are no facilities to deal with the coal which is required for the different industries established at Chicoutimi, and I think the prospects of the future traffic through this port completely justify the advance of money proposed.

I am not in position to state definitely that this commission will be in position to pay the first year's interest on the advance, but we must remember that if we had not proceeded through the incorporation of a commission, large expenditures would have had to be made through the Department of Public Works. Every hon. gentleman in this committee knows of places where money has been advanced through the Department of Public Works and upon which the government will receive no interest. But, judging from the reports and representations made to me and taking cognizance of the situation there, I sincerely expect that this port is going to meet its responsibilities and that in the course of a few years it will meet its obligations. I repeat: we must do something; there is no escape from that. When we have all these industries located in the river, with that amount of power being developed there and important industries established there, there is no doubt that the government would be forced one way or another to make expenditures to provide facilities in that port.

Mr. HEAPS: Is this a company?

Mr. CARDIN: No, it is not a company at all.

Mr. GARDINER: There have been no expenditures prior to the present time by the harbour commission?

Mr. CARDIN: Yes, last year parliament under a bill voted a sum of $500,000, and with that money the commissioners started enlarging the wharf which existed at that time in the harbour of Chicoutimi.

Mr. GARDINER: Are they making charges at the present time for service?

Mr. CARDIN: Yes, last year they collected the sum of $18,000 in connection with their facilities.

Mr. HOCKEN: Why does the minister not make this a gift instead of a loan? He does not expect to receive any interest from it.

Mr. CARDIN: I certainly expect a return on it and there is justification for my expectation. The town is going to grow very rapidly.

Mr. HOCKEN: Has the minister any better expectations in this case than in that of Quebec?

Mr. CARDIN: The town is not as important as Quebec is now, but a few years from now I am sure it will have grown to such importance that we shall get all the returns we need to meet the interest charges and sinking fund in connection with the amount we are lending them.

Mr. HOCKEN: That is a speculation.

Mr. POWER: Far better than the Toronto terminals.

Mr. HEAPS: How long will it be before this $2,000,000 will be spent?

Mr. HOCKEN: I want to make it a gift.

Mr. POWER: We fear the Greeks even bearing gifts.

Mr. CARDIN: The bill which will be introduced provides that before starting work they have to submit a plan to the engineers of the Department of Marine and Fisheries and the plan has to be approved before the loan which has been authorized is spent.

Mr. HEAPS: The question I asked was how long it would be before the $2,000,000 would be spent? Would it be one year or two years?

Mr. CARDIN: More than two years.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce bill No. 68, to provide for a further loan to the Chicoutimi harbour commissioners.

Motion agreed to and bill read the first time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

DIVORCE COURT FOR ONTARIO

The house resumed from February 22 consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 38, to provide in the province of Ontario for the dissolution and annulment of marriage.

[Mr. Cardin.]

Mr. C. W. BELL (West Hamilton): Mr. Speaker, I desire to associate myself with the remarks that have already been made in favour of this bill by the hon. member for Winnipeg North Centre (Mr. Woodsworth), and the hon. member for Labelle (Mr. Bourassa). I think it must have furnished to the house a striking commentary on the situation which has been created, and which has called for the introduction of this legislation, to find a bill of this nature introduced by a member from the province of Manitoba and endorsed by a member from the province of Quebec.

My hon. friend the member for Labelle the other night seemed to feel that the situation called for some remarks upon the question of provincial rights, and the assertion of provincial rights in this house. It is not in that spirit that I am approaching the discussion of the bill to-night. Rather I take it that both the hon. gentlemen who have spoken on the subject so far have addressed themselves to it mainly because, although themselves not residents of the province of Ontario, they felt that it deals with a very important question of right and wrong, and it is upon that basis that I desire to address to the house such remarks as now occur to me.

It has already been stated that there is practically no issue here as to the principle of divorce, that the method is the only question which is before the house for consideration. I can readily understand how many persons who are conscientiously opposed to the idea of divorce might state to the house that they felt constrained, upon principle, to oppose the bill in the hope that thereby they would put an end to something which they regard as an unmixed evil. But, sir, we know from the record that we have before us, and from the situation in which we find ourselves to-day, that there is no such thing as doing away with divorce, and that the only question before the house now is whether divorce shall be dealt with to the best advantage, or dealt with in a less satisfactory manner.

There are two or three points in connection with this bill that I desire to present for the consideration of the house. It has been already pointed out by my hon. friend from Winnipeg North Centre that every year finds a largely increasing number of these applications, and that it has been recently found impossible for the senate of the parliament of Canada to deal with all the applications that come before it in the course of a single session; so much so that, as we already know, this year there has been formed, or is in

process of formation, a second divorce committee of the senate. Judging by the rate at which these applications have been increasing in the last few years, we shall very shortly find ourselves confronted with the necessity, if the senate is to continue to deal with these measures, of creating not simply one additional committee but two or three or four additional committees. It was the case, I believe, last year—I stand subject to correction if I am wrong—that although a large number of applications had been received, and although the divorce committee of the senate addressed themselves with great earnestness to the problem of dealing with those applications and followed them up with the utmost industry, even then it was not possible during the period of the session to deal with all the applications that came before the senate. So we had the unfortunate anomaly at the conclusion of the session, that decrees were granted to a number of people who had cases which upon being tested were found to be good, while on the other hand a large number of people who had cases presumably just as good and just as worthy of the decree of the divorce committee were forced into the position of not having their petitions decided upon simply because there was no time to deal with them. Surely we cannot say that the decision of the senate and of this house is being given with equality to all, as long as the test of relief—assuming that the applicants are entitled to relief at all—shall be, not the justice of their cause but merely the possibility of the senate overtaking its work and dealing with their petitions. That, I think, sir, is a proposition which will commend itself to every member of this house.

But there is something far more serious than that. The method of granting divorce on the recommendation of the senate committee and the passing of a private bill has set up this condition in the Dominion—that the man who is fairly well-to-do, if he has a just cause, can present that cause and have it adjudicated; but the man who is poor is denied that right. Surely it should not be possible anywhere in this country that material wealth should be the test of right or wrong. It is well known to all those whose work calls upon them to undertake the presenting of divorce applications to the senate divorce committee, that ever so often it is found that those who have a perfectly just cause, a cause founded upon honest, indisputable evidence, are nevertheless compelled to abandon that cause simply for the reason that they have not the requisite funds to take the steps necessary to obtain a decree. The fact is that under present conditions any man or woman in this Dominion who seeks relief by way of divorce must be able to pay for the cost of the senate bill, for the cost of having that bill looked after through the senate and through this house, and must be able also to meet the necessary expenses, which sometimes are extremely heavy, of bringing witnesses from the uttermost parts of the country to this city in order that their evidence may be heard by the committee and passed upon.

What a monstrous situation it would be that a man who, for example, had instituted suit for breach of contract should be told: You cannot obtain relief under the law unless you take your case to the city of Ottawa, no matter in what part of Canada you may reside. This is identically the situation in relation to divorce. The only possible way by which divorce could be made easy to people of small means would be to say that the sittings of the senate committee which is empowered to recommend the granting of a decree should be held throughout the length and breadth of the land. But we know how utterly impracticable that is. We know it is out of the question to consider it for one moment.

So, sir, we have this situation—and it must continue unless this bill is proceeded with—of people being able to say: I may have a just cause, I may have evidence right under my hand to entitle me to a decree of divorce, a decree which in fairness, honesty and justice I ought to be granted, but because of the fact that I am not possessed of sufficient funds to go to Ottawa and to pay the fees incidental to an application for divorce and to bear the expense of bringing witnesses to the capital, I am denied that relief which as a citizen of Canada is mine, and mine by right. Only by supporting this bill can that grievous inequality be removed. I think it is a standing reproach to this parliament and to this country that any citizen who has a just cause to seek divorce should be told: You have not the money, and therefore there is no possibility of your cause being heard. In other words, he is told: You are deprived of justice at the hands of the high court of parliament, the very highest court in the land.

It is for that reason, Mr. Speaker, that preeminent, that paramount reason, that I ally myself with my hon. friend from Winnipeg North Centre who, as I see it, has unearthed a very grievous wrong that ought to be remedied. And until that wrong is remedied

this parliament cannot divest itself of the reproach that under present conditions it is granting one thing to the well-to-do, and denying that same thing to the poor.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, I feel this is a question which should be regarded from the most serious point of view. My hon. friend who has just taken his seat (Mr. Bell) has approached the question in the belief, apparently, that we are all in favour of the principle of divorce.

Some hon. MEMBERS: No, no.

Mr. McMILLAN: Now, sir, so far as I am concerned I must dissent from that view. Since I have had the privilege of a seat in this parliament I am at one with my hon. friend in saying that the manner in which these cases have received attention in this chamber is nothing less than a travesty. Many times I have thought of it seriously, and felt like rising to my feet in protest.

There may be hon. members present who are in favour of the principle of divorce. I have always held the opinion, and I am to-day more strongly than ever of the view, that marriage is a sacred union. Marriage is the key to the home: the home is the bulwark of society and of the nation. We talk of the greatness of our country, of our wealth, of our wonderful natural resources, but we should never forget that the greatest asset of a nation is the integrity of its people. The character and condition of the people is either the greatest asset or it is the most detestable scourge of a country. Therefore that thought brings me back at once to our homes and the home life of our people. In the mad rush and struggle for wealth and property and material possessions, which in this country is everywhere apparent, the higher and better things which go to build up the home and build up humanity should not be neglected. As I have said, the home is the bulwark of the nation. History records the fact that it has always been so, and it will continue to be so until the end of time. Go back into history and study it. Study, if you will, that old volume of the sacred law. What does it tell us? Among all its wonderful words of wisdom and of admonition to the human race, it tells us that in mere wealth, in mere sordid wealth and outward splendour, old Babylon had no rivals in ancient times. But her fatal weakness was that she put no real estimate upon true manhood. As a consequence, her gorgeous palaces and hanging gardens became the abode of selfishness and sensuality, with the result, as we now read, that

over that spurious greatness rests the stillness of the desert, the gloom of an eternal night. It was in view of all this that Scotland's immortal bard tells us in The Cottar's Saturday Night:

> How he, who lone in Patmos banished,
> Saw in the sun a mighty angel stand,
> And heard great, Bab'lon's doom pronounc'd
> by Heaven's command.

What of Greece? Ancient Greece was not a large country—her chief city, Athens—less populous than New York. Her people were great in art, great in philosophy, great in wisdom and great even in a certain kind of patriotism. But the fatal weakness of the people of Greece was that they had no real, true family life. Their public men were corrupt in their habits, loose in their morals, and their women, even the most accomplished, were unchaste. As a consequence, the fate of Greece was inevitable; and her fall was even more rapid than her rise.

What of ancient Rome? Read Gibbon's decline and fall of the Roman empire: we are told that that fall was due to the general corruption of the people and their engrossing love of pleasure and idleness. So long as the nobility of Rome considered it an honour to labour with their hands, so long as they continued to recognize the dignity of honest labour, Rome continued to flourish. We read of the time when the land was tilled in those days even by generals; as they left the field of battle they returned triumphant to the plough. But when the ruling classes of Rome began to live so luxuriously and so extravagantly that they considered honest labour as beneath their dignity, and as fit only for the engagement of serfs and slaves, from that day onwards dates the decay and downfall of the Roman empire.

Coming to the middle ages, we have no doubt all read of the time when Spain was the mightiest of European powers. The discoveries of Columbus had added to her possessions the new world of the west. The conquests of Cortez and Pizarro had poured into its treasury the riches of Mexico and of Peru. Its galleons brought the gold, the jewels and the ingots of silver to the harbour of Cadiz, while at the same time Philip was endeavouring to add to his possessions some of the fairest and wealthiest portions of western continental Europe. What were the means by which Spain was able to hold her people in subjection? It was through the terror of the Inquisition and the power of the stake and the sword. By such means a nation could never continue to flourish, and that country

having been humbled and broken through the defeat of the Armada, her greatness soon dwindled away.

Let us come still nearer to our own time. We have often heard the expression of the first Napoleon that the great need of the French people was mothers; and indeed the outbreak of the first French revolution presented a striking illustration of the neglect of the purifying influence of motherhood. When that outbreak occurred French society was permeated with vice; morals, virtue and religion were swamped in immorality. The corrupt plays of the theatre commanded the attention of the people. Maternity came to be looked upon with reproach; true family life, true home life was gone; and as a consequence Napoleon's words were more than justified, that France was really motherless.

Now, Mr. Speaker, let us apply the conditions which destroyed those nations in the past. What does the lesson teach us? Does it not teach us that if a nation is to be great and is to continue to be great its very heart, the home life of its people, must be good? It must be virtuous, clean, self-sacrificing and true. What are we going to do in this young country? We have been the leader in many avenues of national and international life. But what is the truth with regard to divorce? The year 1883 was the first in which divorces were recorded in two figures; the number that year was 13. In 1903 there were 21 divorces; in 1909, 51; in 1913, 60; in 1918, 114; in 1926, 608, and in 1927, 748. It seems that the bulk of the applications before the senate to-day are from the province of Ontario, my own province. But I am proud to say that so far as my own section of the country is concerned, so far as my own riding goes, I do not know of a single case of divorce. As regards my section of the country, I wish that condition to continue. I will not be a party to the passing of a resolution or a bill in this house to establish a divorce court in my province, let this house deal with the matter as it will.

From the arguments which I have put forth thus far you can clearly see that my purpose is to do away with the condition which saps the manhood and the womanhood of this country at its very foundation. As I said in my opening remarks, marriage is a sacred institution. Marriage is the key to the home and the home is the bulwark of the state and of society. If we continue to desecrate marriage through divorce we sap the real foundation of society, and I for one intend to vote as I have expressed myself, against establishing divorce courts in this province.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, this is one of the bills which might be affected by the amendment to the rules proposed this afternoon, and this is one of the many reasons why I am opposed to that amendment. The matter is a most important matter from almost every point of view, and so far as I am concerned I am prepared to vote against this bill for three principal reasons.

In the first place I am opposed to the principle of divorce. In the second place I believe a bill of this kind should be made general in its application if passed by this house at all. There are six provinces of Canada which at present have divorce courts, while the provinces of Quebec, Ontario and Prince Edward Island have none; if a measure of this kind is to be passed at all it should be generally applicable to these three provinces. The third objection I have to the bill is that neither the province of Ontario nor anyone on its behalf has ever asked for this legislation.

On Friday evening we had a rather long and somewhat diverting speech in this connection by the hon. member for Labelle (Mr. Bourassa). In the beginning of his speech he pointed out clearly and positively that personally he was opposed to divorce and that the divorces granted by parliament had been passed against his will and over his protest. Further on, at page 384 of Hansard, I find that he used the following words:

> ...we shall be making a grave mistake if we vote for this bill as it stands, without making it clear that we are not imposing it upon the people of Ontario, in the absence of any opportunity on their part, and on the part of their own representatives in their own legislative governing body, of signifying their will. If we impose the bill upon them under such conditions we shall, first, encroach upon the moral rights of the people of Ontario, and, secondly, drive another nail into the coffin of our constitution, because we are again discharging one of those abnormal functions of intervention which have worked to the evil of the country and to the evil of the province affected every time this has been done.

I contend that parliament has no right to pass this act and that there is not the least occasion for it. The arguments put forward by the hon. member for West Hamilton (Mr. Bell), whose legal opinion I value highly, do not appeal to me. The first reason he gave for supporting the bill was because of the delay which sometimes occurs through which certain would-be divorcees are debarred during the current session from obtaining the redress to which they think they are entitled. I might point out that this often occurs in courts of law; I have known cases to go over from one term to another and then, when all

the legal gentlemen were ready, the court would adjourn for the long vacation. These delays occur in our courts as well as in parliament. The hon. member also claimed that there was a discrimination between the rich and the poor. I understand that the cost of a divorce is not very great, and in most cases where the senate committee finds the party is unable to bear the expense it is cut down to the bare cost of printing, with no further charge. Will the hon. member or any other legal gentleman tell me that the cost will be less in a court of law? From the little experience I have had with cases in court I firmly believe that the present procedure is not more costly than would be the case if the procedure were changed.

An hon. MEMBER: One-third less.

Mr. ARTHURS: I believe it is now one-third of what it would be then. The argument with regard to the procuring of evidence would also apply exactly the same in a court of law.

I am firmly convinced that the great majority of the members of this house are opposed to this bill; they are opposed to the general principle of divorce, and why should we as the parliament of Canada force the province of Ontario into this situation? If we are going to do it at all why not include all those provinces which at present have no divorce courts? Why single out Ontario for this legislation with no request from them? For my part I am prepared to vote against this bill on every occasion.

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, I am one of those who deplore as much as anyone in this house the situation with which we are faced, but I propose to vote for this bill. If my hon. friend from South Huron (Mr. McMillan) were consistent and logical he would move for the abolition of divorce courts all over the country, and that necessarily must be the position of any person opposed to the principle of divorce. As the last speaker pointed out we have divorce courts in six provinces of Canada, and if those who are opposed to the principle of divorce were logical they would move for the abolition of these courts and the prevention of divorce under any circumstances.

Mr. ARTHURS: I would point out that this parliament could not pass such an act; those courts were established under the British North America Act.

Mr. HOCKEN: Then I would propose that my hon. friend would be willing to accept the British North America Act for the province of Ontario as well as for the other provinces, with all the privileges and rights given those other provinces.

I am supporting this bill not because it will make divorce cheaper or because I believe it will facilitate divorce, but because I believe that before a tribunal of this kind more substantial justice will be given the different parties. I have no criticism to make with respect to the committee of the senate, but consider their position: They are down here for a few months of each year and have to deal with hundreds of divorce cases. They must sit day in and day out and even break up their committee into two or three sections in order to deal with these cases, so under the circumstances divorces go through without the consideration they would get in a court of law. So I say I believe more substantial justice would be done in a court of law than is the case at present.

I am not opposed to the principle of divorce, although I am quite as firmly convinced of the sacrednes of the home and of marriage as my hon. friend from South Huron. There is nothing finer in this or any other country than a happy home, but where you find a home where a mother has deserted her husband and children and gone off with some other man to the United States is it fair to hold that husband to that position for the rest of his life? He may be a young man of only thirty or thirty-five years of age; should he be condemned to remain in that condition because of the weakness of his wife? On the other hand take a home where the man has gone off with some other woman, deserting his wife and family. If that woman can find some person with whom she thinks she can be happy why should she not be free to re-establish her home with a man who will be better to her and more honest with her than the one she first selected?

Mr. CANNON: Will my hon. friend allow a question? What about the children of the first marriage; are they to be considered?

Mr. HOCKEN: I believe that the children of any marriage who have been deserted by the father or mother will have a far better chance of a good bringing up with a step-father than they would have with the father who begat them.

Mr. CANNON: Suppose it works out the other way?

Mr. HOCKEN: I think it applies both ways. While I deplore the increase in divorces we must remember that conditions are very different to-day from what they were fifty years ago. If it were possible to make

every man a decent husband and every woman a decent wife I would vote against the granting of divorces under any circumstances, but, in my judgment, while there may be a great deal of unhappiness caused by divorces this distress would not be remedied by refusing to grant divorces upon any ground.

We do not propose to facilitate the granting of divorces, but rather to establish in the province of Ontario what is already established in nearly every other province of Canada. I do not believe for one moment that the fact that a divorce court may sit in Toronto or Hamilton or London is going to attract business simply because the courts are there; the number of applications for divorce are just as numerous under the present rule as they would be if a court was established in the province of Ontario. I believe it is in the interests of those who are injured that a better tribunal be established—a tribunal with more time and with perhaps the experience it would gain. That would be a much better way of dealing with this social problem than the one we have at the present time.

Mr. J. L. BROWN (Lisgar): I think it is a pity that in a debate of this kind we cannot confine ourselves to the real point at issue. The hon. member for South Huron (Mr. McMillan) said that those who had spoken on this question up to the present time were all in favour of divorces. I think the hon. member who introduced this bill (Mr. Woodsworth), the hon. member for West Hamilton (Mr. Bell), and the hon. member for Labelle (Mr. Bourassa) have made it very clear that they were not discussing that phase of the question at all. My experience since coming to this house has made me favourable to a bill such as this. The duty has been imposed upon me, as I mentioned once before, of being the representative of the House of Commons on the divorce committee during the last three sessions of this house. Anyone who has attended even one or two sessions of that committee must be impressed with the terrible evil which is growing up in Canada. I have sat in that committee and witnessed scenes that were heart-rending, and I cannot but think of the possibilities that may arise if something is not done to stem this great evil.

Mr. McGIBBON: How would the courts stem it?

Mr. BROWN: At the same time I have come to realize that we are not dealing with it in the best possible way. Some of the remarks made during the last session have possibly given the impression to the public that this parliament was not seriously considering this question, and references have already been made at this session to the way in which these divorce bills pass through parliament. We in this house understand the procedure, but unfortunately the public will get the impression that these bills are passed through the parliament of Canada without due and proper consideration. I must say, Mr. Speaker, that while I have been in attendance at the divorce committee I have been impressed with the way in which that very serious business was handled by the gentlemen constituting that committee. It is true that because of the peculiar nature of that committee it has not been able to deal with certain phases of this question in a manner in which a court could deal with them, and it is also true that the pressure is becoming so great that this committee is unable to discharge efficiently the work committed to it. I do not believe that the passage of such a bill as this will either lessen or increase the number of divorces, but I do believe that the establishment of such a court in the province of Ontario, as is already established in most of the other provinces, will enable questions to be settled in regard to the care of children, alimony and many other things to which justice requires that consideration be given.

I can only say again, much as I deplore the tremendous increase in the number of divorces, that I am compelled to vote for the passage of such a bill as this; not that I like divorces, not that I want to see them increased, but in order that we may have a better way of handling a very difficult and complex question.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I think this bill is one that should not pass this house. I have had occasion to visit the senate divorce committee and have always been struck with the thoroughness, the dignity, the sobriety and the lack of publicity that is associated with all their work. I quite realize it is a hardship on the senators who have to sit there day after day, week after week and month after month to try these cases, but I think I am quite within the mark when I say I can supply them with 245 members of this house who will take the job for them.

I have listened with great interest to the member for West Hamilton (Mr. Bell) who spoke with all that eloquence for which he is famous, the eloquence which has stood him in great stead in the courts of this country. But when boiled down what does it all mean? His one argument simply was this: that there

should not be one law for the rich and another for the poor. To which we all subscribe, but I ask you, Mr. Speaker, and I ask the members of this house, what lawyer will go into a court and ask that court to rebate fees because his client is poor, as we so often see happen in this house? Consequently I think the very foundation of his argument falls. It does seem strange to me that we in Ontario should have this thing foisted upon us by the member for Labelle (Mr. Bourassa), who does not believe in it, and by the member for Winnipeg North Centre (Mr. Woodsworth) who never has a good word to say for anything in the province of Ontario. But he comes forward, and the member for Labelle comes forward, and they say to the people of Ontario, "It is true that we do not believe in this, but you people in Ontario have got to drink the cup to its dregs."

Mr. BOURASSA: The hon. member is making me say the very opposite to what I said. The whole weight of my argument was to demonstrate that we had no right to impose this upon Ontario unless we knew that Ontario wanted such legislation.

Mr. McGIBBON: May I ask the hon. member how he is going to vote on this bill?

Mr. BOURASSA: I am not going to vote for the second reading unless the amendments which I submitted are adopted, that is, giving to the province of Ontario the right to say whether this legislation shall be put into force.

Mr. McGIBBON: The member for Labelle has again demonstrated the fact that he can talk upon all sides of a question and vote any way he desires.

When parliament is so susceptible to provincial rights as the house has been, we might at least wait until some responsible organization in Ontario asks for this bill. When it does, parliament will then have a better ground for discussing it upon its merits than it has at the present time. This legislation has not been asked for by the province of Ontario; it is not wanted by many organizations in Ontario. The Catholic church does not want it and I know my hon. friends on the other side will bear me out in that. A large element in the Orange order does not want it.

Mr. HOCKEN: How does the hon. member know that?

Mr. McGIBBON: I shall have to admit that I cannot speak with the authority of a grand master, but I have been so informed by many of the followers of that order and I have been supported in my objections to legislation of this character in the past. The churches are against it. A large number of the women of Ontario are against it. Who is in favour of it? A few people who want a divorce and who probably are not all entitled to it at that, and perhaps a few lawyers who want some employment. If this motion goes to a vote, I intend to vote against it.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, there is no demand in Ontario for this legislation. This bill purports to provide that the Supreme Court of Ontario shall have jurisdiction with respect to divorce. It proposes to copy part of the law of England of the fifteenth July, 1870, and to provide that it, altered, varied, modified or affected as to the province of Ontario shall be the law of the province as to dissolution of marriage and as to annulment of marriage.

The Anglican church is strongly opposed to this legislation and always has been. The bishops of the church at every meeting of the synod have opposed it. Six or seven synods of the church have opposed this legislation as applying to an English speaking province, the province of Ontario. We have the opinion of the Anglican church at the Lambeth conference where the Church of England passed these resolutions. They are summed up in three or four paragraphs:

> It appears to a majority of the committee that the objection to saying the solemn words over a person whose wedlock has been sundered, "Those whom God hath joined together let not man put asunder," is very great. It is a grievous misfortune that in so many cases the really innocent party does not exist. (The report of the committee on marriage of 1908, p. 141).
>
> The conference affirms as our Lord's principle and standard of marriage a life-long and indissoluble union, for better, for worse, of one man with one woman, to the exclusion of all others on either side, and calls on all Christian people to maintain and bear witness to this standard. (Resolution 67 of 1920, p. 44).

I have a table given in a text book by the head of the Department of Sociology of the University of Pennsylvania showing that 10 per cent of the marriages in the United States have resulted in divorce. That means 100 divorces out of every 1,000 marriages. If you apply that to Ontario, it would mean 25,000 divorces in the province for two and a half million people or more. The Canada Year Book shows the huge increases under the court system as compared with that under the parliamentary system. The Canada Year Book says:

> For many years subsequent to confederation the number of divorces granted in Canada was very small, 1883, with thirteen divorces, being

the first year in which the number attained two figures, while 1903, with twenty-one divorces, was the record year up to that time. . . .

The effect of the war was to increase very greatly the number of divorces granted in Canada. The causes may be found in the generally unsettling psychological effect of the war period, and the long separations between men on active service and their wives.

There are no resolutions or petitions from Ontario or the Ontario legislature asking for a change in the law. The principle of divorce was adopted at confederation. The change in this bill is as to method, and we should leave the method as it is until such a time as the legislature, church bodies and social organizations of Ontario ask for a change.

The house divided on the motion (Mr. Woodsworth) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Bancroft,
Barber,
Bell (Hamilton West),
Bell (St. John-Albert),
Bird,
Blanchard,
Blatchford,
Bothwell,
Boys,
Brown,
Campbell,
Cantley,
Chaplin,
Coote,
Dickie,
Donnelly,
Ernst,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Forke,
Fraser,
Gardiner,
Geary,
Gershaw,
Glen,
Hanson,
Hocken,
Irvine,
Jelliff,
Johnstone (Cape Breton North-Victoria),
Kellner,
Kennedy,
Ladner,
Lovie,
Lucas,
Luchkovich,
MacLaren,
McGregor,
McPhee,
McPherson,
McQuarrie,
McRae,
Millar,
Milne,
Morrissy,
Neill,
Pettit,
Plunkett,
Rennie,
Ross (Moose Jaw),
Senn,
Simpson,
Sinclair (Queens),
Smoke,
Speakman,
Spence,
Spencer,
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stirling,
Ward,
Woodsworth,
Young (Saskaton).—68.

NAYS

Messrs:

Anderson (Halton),
Arthurs,
Baldwin,
Beaubien,
Benoit,
Bettez,
Bock,
Bouchard,
Bourassa,
Bourgeois,
Bowen,
Bowman,
Bradette,
Cahill,
Cannon,
Cardin,
Carmichael,
Casgrain,
Cayley,
Charters,
Chevrier,
Church,
Cotnam,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Duff,
Dunning,
Dussault,
Embury,
Fafard,
Ferland,
Fiset (Sir Eugene),
Fontaine,
Garland (Carleton),
Gervais,
Girouard,
Goulet,
Gray,
Guérin,
Harris,
Hay,
Heenan,
Howard,
Howden,
Jenkins,
Johnston (Long Lake),
King (Kootenay East),
Lacroix,
Laflamme,
Langlois,
Lapierre,
Letellier,
Macdonald (Glengarry),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLean (Prince),
McLean (Melfort),
McGibbon,
McIntosh,
McKenzie,
McMillan,
Maloney,
Matthews,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Morin (Bagot),
Motherwell,
Peck,
Perras,
Power,
Prévost,
Ralston,
Raymond,
Rhéaume,
Rinfret,
Roberge,
Robitaille,
Ross (Kingston City),
Rowe,
Ryerson,
St-Père,
Sanderson,
Séguin,
Sinclair (Wellington North),
Smith (Cumberland),
Spotton,
Stinson,
Sylvestre,
Taylor,
Telford,
Thompson,
Tobin,
Totzke,
Tummon,
Veniot,
White (London),
Young (Weyburn).—99.

HALIFAX HARBOUR COMMISSION

LOAN OF $5,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to authorize a loan to the harbour commissioners of Halifax in an amount not exceeding $5,000,000 to carry on the construction of terminal facilities, upon approval by the governor in council of detailed plans, specifications and estimates for such works, and the deposit of debentures of the corporation to cover said loan.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. CARDIN: This resolution, upon which a bill will be based, is to cover a loan of $5,000,000 to be made to the Halifax harbour commission. Members of the committee will remember that the port of Halifax is now under a harbour commission, just as the harbours of Montreal, Vancouver, and others have been operating under that form of administration for several years. Last year a

bill passed this house providing for an advance of $500,000 to the newly organized Halifax harbour commission. That money has not been advanced to the commission, because, as I understand it, they were working towards a general program and they did not want to start making expenditures before being sure as to what their requirements would be. This year they have worked out a program for providing new facilities in Halifax harbour, and I think it is a reasonable request which they are now making to parliament. They are asking for the money necessary to enable them to proceed with the work which they have decided to do. Unfortunately, I have not under my hands the details of the work proposed. I have asked the commissioners to supply me with the details, but up to the present time I have not received them. I would ask the committee to treat this resolution in the same way as they did the other resolutions this afternoon, so that the bill may be introduced, and then on the second reading or in committee on the bill, hon. members will be able to obtain all the necessary information in regard to the work that is contemplated by the harbour commission.

Mr. QUINN: Will this vote of $5,000,000 cover any of the work that has been already undertaken or finished up to the present time?

Mr. CARDIN: I could not say exactly, because I have received no report of any work having been already undertaken.

Mr. QUINN: Recently a contract was let for $300,000 to build an office building for the commission. Will that be included in this vote?

Mr. CARDIN: No report has been made to the department on that as yet, but I will undertake to get the information, and when we are in committee, I shall be able to give a full explanation.

Mr. GUTHRIE: May I ask upon what the minister bases his request for $5,000,000? Has he any estimate? Does he know what the money is going to be expended for?

Mr. CARDIN: Yes. The harbour commission sent me a statement of the work they proposed to do. It is a very short summary, but I can give it to the committee, if my hon. friend so desires. First, they propose to build a revetment wall.

Mr. HANSON: Where?

Mr. CARDIN: In the harbour.

[Mr. Cardin.]

Mr. HANSON: In what part? Do I understand the minister to say that he is asking the house to consent to the passage of a resolution for a loan of $5,000,000 to the Halifax harbour commission, and that he has no knowledge of what their program is?

Mr. CARDIN: It has never been the practice to give these details on the resolution itself, but rather when we are in committee on the bill. That has been the custom in regard to the votes for Montreal, Vancouver, and other harbours. A very short resume of the work proposed is given on the resolution, and then a full discussion takes place later when the bill is in committee. I have here a long letter from the harbour commissioners, which I can read or place on Hansard, but it will not get us anywhere, because we shall have to start all over again in committee on the bill.

Mr. HANSON: I suggest that the minister place the letter on Hansard, so that hon. members will have the opportunity to study it.

Mr. CARDIN: Is the committee of opinion that I should read the particulars or place them upon Hansard?

Mr. GUTHRIE: The minister said he had a brief summary.

Mr. CARDIN: Yes.

Mr. GUTHRIE: Let us have the brief summary.

Mr. CARDIN: They provide as follows:

Proposed revetment wall	$ 400,000
Pier No. 4—repairs	8,200
Pier No. 3—repairs	17,300
New Pier No. 2—repairs	62,000
Sheds 23, 24, 25 and 28—permanent foundations and floors	216,000
Marginal road pavement	80,000
Pier "A"—two transit sheds	440,000
Pier "B"—together with two transit sheds	4,093,500
General, miscellaneous items, plant equipment	110,000
Extension to existing grain elevator, galleries, etc	1,159,000
	$6,586,000

Mr. HANSON: Do I understand that practically all this work represents repairs to the present piers?

Mr. CARDIN: I understand that "pier B, together with two transit sheds," provides for the building of the pier itself, because the amount is four million dollars.

Mr. QUINN: What is the amount for pier No. 3?

Mr. CARDIN: The amount is $17,300.

Mr. QUINN: Is it proposed to put that pier into shape for the loading and unloading of cargoes? The old pier was burned down some years ago.

Mr. CARDIN: I should think the idea of the commissioners is to put the pier in such condition that it can be used.

Mr. GUTHRIE: There is just one observation I desire to make to the minister at this stage. For the four harbours which appear on the order paper to-day we are asked to appropriate the enormous amount of twenty-nine million dollars; that is, ten million dollars for the harbour of Montreal, ten million dollars for the harbour of Vancouver, five million dollars for the harbour of Halifax, two million dollars for the harbour of Chicoutimi and a like amount for the harbour of Three Rivers. This money, if I understand aright, is advanced to the various harbour commissioners by way of loan, the harbour commissioners issuing bonds against it, which bonds are locked up in the Dominion treasury and looked upon as assets. I understand further that in respect of one or two of the harbours we actually receive interest payments, but that in regard to all the others where this system is in vogue we are not receiving the interest due or past due.

Now, it is to be noted that this vast expenditure is chiefly of benefit—I do not say exclusively—to particular parts of Canada, and that various other large and important parts of the Dominion receive absolutely no benefit from it. I doubt if the little province of Prince Edward Island will receive any direct benefit from this enormous expenditure; not a dollar of it is spent in the great province of Ontario, not a dollar in the four prairie provinces. Does the minister not think that with these enormous sums before parliament at this moment his grants are becoming a little over-balanced in respect to certain parts of Canada at the expense of other parts? What compensation for this tremendous expenditure can he give to the western provinces? How does he propose to even it up? What compensation can he give to Prince Edward Island, what to the great province of Ontario?

I do not say that there is no benefit to the Dominion as a whole in the improvement of our harbours, but the thought passing through my mind is that in respect of several of these items we will be a long time getting any revenue, and that we are plunging a tremendous amount of money into what is a highly speculative venture. I doubt very much if there is any revenue to be derived from Chicoutimi or from Three Rivers, and I understand that Quebec harbour is greatly in default in its interest payments to this government. I think the house should stop and consider whether at this particular time in the history of the country we are justified in lending twenty-nine million dollars of our money on what at most will be a rather doubtful security for the treasury of the Dominion.

Mr. CARDIN: I think my hon. friend's criticism is not fair. It is true we are providing for advances totalling twenty-nine million dollars, but we should not forget that we are advancing ten million dollars to Montreal harbour, ten million dollars to Vancouver harbour and five million dollars to Halifax harbour, or twenty-five million dollars to ports capable of taking care of interest and sinking fund.

Mr. GUTHRIE: It is problematical.

Mr. CARDIN: There is no doubt in regard to that, because that is what these ports have done in the past.

Mr. GUTHRIE: Halifax never had a harbour commission until recently: how do you say it has taken care of interest and sinking fund in the past? I have not offered any criticism in regard to those ports that have paid their interest and have probably justified a new loan; but the rest of it I say is highly speculative.

Mr. CARDIN: I think it will be a good speculation in regard to the port of Halifax.

Mr. GUTHRIE: I hope you are right.

Mr. CARDIN: In view of its importance and of the amount of business passing through that port, I am inclined to believe that the observations made by my hon. friend are probably the same observations that were made when the first advances were proposed to the port of Vancouver; but the development of that port has proved advantageous not only to Vancouver but to the country as a whole. The port of Vancouver, to a certain extent, is used by the prairie provinces, because through that port they export their wheat and import what they need for their development. To say that not a cent is being given to the prairie provinces is not fair. My hon. friend has only to look at the order paper to find that we are providing branch lines in the west to a very substantial amount. We are all in favour of that expenditure. But a similar expenditure cannot be made in the provinces of Ontario and Quebec. The money is spent in the prairie provinces because we think the building of branch lines there is

amply justified; and we think also that the development of our harbours is helping the country at large.

Objection may very well be taken that Chicoutimi is not in a position at the present time to pay interest on any advances; but we ought to remember that the development at this port is just starting, and at the outset we cannot expect the revenues that we will get later on. Already a number of industries have been established at Chicoutimi, and there is no doubt that eventually they will be able to take care of the interest on the money advanced.

So far as Vancouver and Montreal are concerned, I am glad to see my hon. friend admits that they are capable of taking care of their obligations. With these proposed advances I have no doubt that those harbours will be in a position to meet the demands already made upon them for further facilities and show a return on the expenditure. Greater facilities are urgently needed in the port of Vancouver and the port of Montreal.

As to Halifax, I repeat, with the assistance we are trying to give to the maritime provinces, and the importance of the port in view of its situation, there is no doubt that this port, as well as the port of St. John, will be able to pay interest and sinking fund on all the money to be advanced.

Mr. GUTHRIE: What I thought I could impress on the minister was the fact that we are entering into enormous commitments. The minister has referred to expenditures in the west, and it was partly on that account that I was prompted to say a word in regard to harbour expenditures. On the same order paper one day last week there appeared $29,000,000 for harbours and $28,000,000 for branch lines, money which will have to be raised on the credit of the government of Canada and not on the credit of the railways. In addition to that we were presented with estimates of a proposed expenditure next year of $400,000,000. This, I submit, is enough to stagger the country; it is too much money; it is a riot of expenditure. I believe it is the duty of someone to call the attention of the government and of the people to the rate at which this government is piling up expenditures and piling up obligations which some day will have to be met by the people.

Mr. DUNNING: In fairness to the house I must call attention to the remarkable change of front as between last week and this week on the part of hon. gentlemen opposite. Only last week hon. gentlemen opposite were voting against this government because it did not propose to embark upon some very large expenditures. The Prime Minister gave information as to what commitments were involved. They were enormous,—

Mr. MANION: We did not agree with any such commitments.

Mr. DUNNING: —far more than any of these.

Mr. GUTHRIE: He talked a lot of nonsense about those commitments.

Mr. DUNNING: Either my hon. friend was talking nonsense then or he is to-night.

Mr. GUTHRIE: I am talking according to the order paper.

Mr. DUNNING: So far as the order paper is concerned, one can say this with respect to the general principle of expenditures of this character: that so long as the business of the country is sufficiently large and is expanding with sufficient rapidity to earn interest upon the investment made by the country, then that investment should be made by the country in the same manner as a business institution would make it. That, broadly, is the ground we take. As to my hon. friend's criticism of the item now under discussion, he speaks of $29,000,000 of speculation, but he demonstrates immediately that $20,000,000 of that sum cannot, in the light of past experience, be considered even slightly speculative, because the two great ports of Montreal and Vancouver have in the past earned sinking fund and interest payments on the moneys advanced by legislation of this parliament. That, therefore, leaves $9,000,000, of which $5,000,000 goes to the port of Halifax.

I am one of those who believe that Halifax will fully justify the confidence we are placing in it in that regard and that, as a result very largely too of the policies being adopted by this government with respect to trade expansion—trade expansion which will have a very great deal to do with the development of the port—it will be capable of earning interest on the expenditure now contemplated. If we regard Halifax as a good speculation that merely leaves Chicoutimi and Three Rivers. Now we had from the minister this afternoon information which indicated that the port of Three Rivers had been earning a substantial surplus in the recent number of years from 1924 onward. So that the speculation which my hon. friend so much fears comes down to very narrow limits indeed.

So far as the government is concerned, the same thing is true of branch lines. I would not have risen now had it not been for my

hon. friend's reference to branch lines. The branch line program proposed by the government at the instance of the Canadian National Railways is expected to earn for the railways interest upon the investment. The best proof of the probability of this is the fact that the railway is now earning more than is necessary to pay interest on its obligations due the public; and the obligations which will be created by the program now before parliament are obligations which will be due the public and which the railway management expects to earn interest upon and, indeed, a little more than interest.

Mr. QUINN: Judging by the remarks of the Minister of Railways, I am afraid I have been misunderstood by the committee. I am not opposed either to this resolution or to the vote when it comes before the committee.

Mr. DUNNING: I had no intention of conveying that impression.

Mr. QUINN: But that impression might be conveyed to the public, and I have been misinterpreted on previous occasions. Up to the present I have asked the minister questions only with regard to expenditures that have been made, as to whether they would be charged up to this loan of $5,000,000 or not. With regard to the loan of $5,000,000 to the Halifax harbour commission, I am heartily in accord with the minister who has introduced the resolution, and I can assure the committee and this house that it would be one of the best investments which the government could make. I may point out, as I did last year, that the shipping tonnage of Halifax is greater than that of Montreal. Halifax is an all the year round port while Montreal is regarded as only an eight months' port; we have therefore a greater shipping tonnage in Halifax than they have in Montreal. So that in my view this loan of $5,000,000 would be justified. What I fear, however, is that the carrying charges of this loan may have some effect on the shipping charges of the port. We in Halifax enjoy the distinction of having one of the lowest priced ports in Canada, if not the lowest, and I am afraid that the carrying charges and the expenses in connection with the management of the harbour commission may increase our port charges, perhaps with serious results. I offer no objection to the resolution and will offer no objection whatever to the vote. I wish, however, to ask the minister to safeguard, as far as it is possible for him to do so, the interests of the port in the matter of low shipping rates.

Mr. MILLAR: Is the minister able to give to the committee the amount of grain handled through the port of Halifax in the last year for which there is any record?

Mr. CARDIN: Unfortunately I am not in a position to give that information, but I shall undertake to have it when we are in committee on the bill.

Mr. HANSON: Having regard to what the government of Canada has done for other so-called national ports in this country, I think the program which will be laid down before the minister and parliament by the harbour commission of Halifax, as well as that to be laid down by the harbour commission of St. John, will commend itself to the people of the country. If we are to have truly national ports on the Atlantic coast we can have them only by the expenditure of money. The city of St. John in the past has spent its own money, until it reached the point where it could go no further. The people of that city, with hardly an exception, have voted in favour of the harbour commission, and I for one, no matter on which side I sit, wish to see that port developed. I am not altogether in accord with the method by which this end is to be attained, but since it has been the settled policy of the country that it shall be done through harbour commissions, which commissions if possible should carry themselves, then I intend to support that principle until it is proved to be wrong. My idea of the development of national ports in this country is that as nearly as possible they should be free ports; I think that is what we should aim at with regard to the ports of St. John and Halifax especially, having regard to the competition we must meet from United States Atlantic ports. If we grant money to a port and make it pay interest on that money, with the heavy overhead which it must bear—and we cannot disguise the fact that there is a heavy overhead now—I am afraid that unless the tonnage is greatly increased the port charges may be raised. That is something which will militate against the port, and I want to say here and now that I believe it is the national duty of this parliament to sustain transatlantic traffic as far as possible through our Canadian ports, even if it is done at the expense of the public treasury. I believe that position will be upheld by the great body politic of the people of Canada, and I have pleasure in supporting this vote to the Halifax harbour commission. However, I do say that it seems more than passing strange that when the minister comes

to parliament for support of a resolution of this character he is unable to give us any details. It does seem to me that he is a little premature in presenting this resolution.

Mr. MacLAREN: I understand that the minister proposes to present to the house the policy of the government with respect to the equipment of the ports of Canada. I believe during last session he stated that at a suitable opportunity he would do that, and we will look forward with a great deal of interest to his statement in that respect.

In these matters the point is not always whether or not the investment will pay directly; the loans to certain of these ports must be kept quite distinct and apart from the question whether there is actually a direct revenue to repay the loans. The reason is that this Dominion cannot for one moment take the position that it is not going to have properly equipped ports; Canada would not be a Dominion if it were not properly equipped with ports to carry on our trade with the rest of the world. This is a direct national question; I cannot regard it as a purely local matter, and I think many of the members of this house will agree with me. While the ports so equipped are of particular benefit to their own localities, they are of perhaps even greater value to the whole country. How could we possibly carry on our trade if we did not have ports properly and sufficiently equipped? I will support votes to all the ports that should be equipped; I cannot speak from personal knowledge with reference to the smaller ports on the St. Lawrence, but certainly I will support votes to Vancouver on the west and the ports on the Atlantic coast. I hope this year the minister will announce a national policy with regard to our ports, or certain of them which must be regarded as essential and necessary for the welfare of the Dominion.

I do not want to approach the subject by saying that when the ports are equipped the rest of the Dominion does not participate in the advantages they bring to the country, because that is not correct; they are equally valuable to the whole country, if not more so. Nor do I say that as an offset there is a huge expenditure on branch lines in the west, nor that in the central provinces, I would still have in reserve a vastly greater expenditure on the canals. However, I do not approach the question in that way; I do not think it desirable to do so. We should not have the idea in mind that a certain development in one portion of the country is of advantage only locally. All these ports will be of advantage to the whole Dominion, and they are necessary if we are to have a country which will grow and prosper and take care of its own business.

Mr. CANTLEY: I would like to call the attention of the house to an altogether different phase of this question. In the Duncan report the question of national ports and the harbours of St. John and Halifax are dealt with, and we must remember that in referring to the report of that commission the Prime Minister said the government were prepared to accept the recommendations practically in their entirety.

What were the recommendations of the Duncan commission as far as these two ports were concerned? They recommended that they should be nationalized and put under commissions, and what did that recommendation as to nationalization mean? We believe it meant that these ports were to be adequately equipped and that the expenditure necessary from time to time for their development and maintenance should be provided by the Dominion of Canada as a whole because these are national ports, open all the year and necessary for the development of Canada. But what do we find to-day? From confederation down until two years ago all the wharves, docks and equipment of the port of Halifax were provided either by the Department of Public Works or the Intercolonial railway, and the port was maintained and operated practically free from dues. Now the minister comes to parliament and asks us to authorize a loan to the harbour commissioners of Halifax upon which they must pay interest, and how are they to provide that interest? They can only provide it by imposing fees on all tonnage coming into the harbour, so that instead of maintaining this as a great national free to shipping port we will be doing the opposite. Was that the intention of the Duncan report? I am quite sure no man in this house who has read the report and who knows anything about the history of the port, its organization, and the part it played in the history of Canada, can form that opinion. I protest emphatically against these so-called nationalized maritime ports being placed by this government in such a position as that.

Mr. RALSTON: I thought the house and this committee listened last year almost ad nauseam to a discussion of the point just raised by my hon. friend, and I want to ask him now to read the recommendation in the report dealing with the ports of Halifax and

St. John and show us where it recommends what he has just suggested. I want to say to him that the report is to the effect that these ports should be dealt with as are the other great ports of Canada.

Mr. CANTLEY: Where do they say that?

Mr. RALSTON: In the report; apparently my hon. friend has forgotten. It he had been here last year he would have heard the whole thing discussed.

Mr. CANTLEY: It is not as convenient for me to forget as it is for some of my hon. friends opposite.

Mr. RALSTON: I do think that my hon. friends from Nova Scotia and New Brunswick, if they associate themselves with this discussion, should not put the province of Nova Scotia or the port of Halifax in the position of refusing what is being done in all good faith in an endeavour to carry out the recommendations of that report. The Duncan report recommended the appointment of a harbour commission; it was appointed and last year we made a loan of $500,000 to that commission. This resolution proposes a further loan of $5,000,000, and my hon. friends are not putting the province of Nova Scotia in a fair light before the whole country when they continually harp on the question whether or not this is the exact form in which the Duncan report described the assistance which should be given these ports. The point is that the money is to be granted and these ports are to be carried on in a businesslike and efficient way. The commission was appointed in order that there would be some body which would have an opportunity and be in position to get business for the port, and to provide facilities to both the shipper and those who provide bottoms for the purpose of carrying freight. This body was to work out a co-ordinated program for the development of that port, and it has endeavoured to do so.

I do not think it adds anything worth while to the discussion to harp continually on the question of whether the Duncan report has been carried out in its exact form. As a matter of fact, if you read the report with relation to these ports—and I have taken pains to ascertain this from other sources as well as the report itself—you will find that it was intended that these ports should be dealt with in a similar manner to that in which the other great ports of the Dominion were treated. It has been suggested that these ports are going to be damaged. A government would be foolish to adopt methods whereby ports which had been conducted in the way my hon. friend describes would suddenly find themselves injured by the establishment of such a commission. It would be nonsensical and idiotic for a commission to carry on their work in a way which would drive shipping away from the port. I want to say to my hon. friend, and say to this committee, that I do not subscribe for one moment to the doleful wails which come from time to time from our friends opposite, who are bound to look a gift horse in the mouth, as it were, and see if there is not some way in which they can accuse this government of not dotting every I and crossing every T in connection with the Duncan report.

My hon. friend the acting leader of the opposition (Mr. Guthrie) raised what seemed to me to be a new question with regard to this matter; he selected the vote to the harbour of Halifax as the object of an attack on this government for extravagance.

Mr. GUTHRIE: No, I did not; I said the aggregate of these votes.

Mr. RALSTON: He selected this resolution which is now before the committee. I did not hear him make any complaint before, but when it comes to the harbour of Halifax that is the time when hands must be raised and shrieks uttered to indicate that this government has started a riot of extravagance. I want to say that if every resolution and every item in these estimates is as fully justified as the vote for the harbour of Halifax, then I think there will be no complaint on that score. The words of my hon. friend's leader are still ringing in the ears of the members of this committee when he pleaded the other day for the expenditure of further large sums of money on certain works which were being discussed at that time. You cannot blow hot and cold at the same time.

My hon. friend the acting leader of the opposition raised another issue, and one which I am sorry to hear him raise. He does not generally do this, but in some way or other he seemed to have got off on a wrong tack. He asked where there was anything in this vote for the western provinces and for the great province of Ontario. He cannot vote money in one resolution for every province in the Dominion; we have to take one at a time. As has been properly pointed out by my hon .friend the Minister of Marine and Fisheries (Mr. Cardin), there are specific resolutions on the order paper for railways in the west. A considerable portion of the western grain will pass through these eastern ports. I ask the province of Ontario through what ports of the Dominion of Canada they ship their goods of this time of year except through

the ports of Halifax and St. John. My hon. friend shed tears over the province of Prince Edward Island, but there happens to be a vote in the estimates for something like $3,500,000 for a car ferry for that province. The provinces are not being neglected, and I do think it ill becomes my hon. friend to seize this vote as an opportunity to talk about extravagance and complain about the expenditures which are being made. My hon. friend's expression was that the house should hesitate in connection with this vote.

Mr. GUTHRIE: Mr. Chairman, I did not say that; I said the house should hesitate and be staggered by the aggregate of these votes.

Mr. RALSTON: I accept my hon. friend's statement, but Hansard will show just what he did say. Let us put it in the plural, and say that he said "these votes" while we were discussing this particular resolution, but I think he was effectively answered by his own fellow member from Halifax (Mr. Quinn), by the hon. member for St. John-Albert (Mr. MacLaren) and by the hon. member for York-Sunbury (Mr. Hanson). These hon. gentlemen have intimated that they are strongly in favour of this vote. Of course they are in favour, because it is a vote for a national port in the Dominion of Canada, a port which is absolutely necessary in order that the business of the Dominion should be carried on.

I am very much pleased that my colleagues in the government have agreed to putting this amount in the estimates and to making this advance to the harbour of Halifax. If my hon. friend the acting leader of the opposition had been in Halifax during the last few months and had seen the development there, had realized that the Canadian National ships are sailing from that port to all parts of the world, had realized the West India service is proving such a success, had known that the great steamship lines are making Halifax their turning point, then he would have realized that this house is fully justified in the vote which is proposed to be made by this resolution. I am glad to support it, and I am glad, as I said a moment ago, to be a member of a government which recognizes the importance of this port and which does not do any cheese paring when dealing with a port which has the merits of the port of Halifax.

Mr. GUTHRIE: Mr. Chairman, in no way did I limit my remarks to the port of Halifax, and no one in this committee understood that I did. It happened to be on this particular vote that I spoke, but my remarks were directed entirely to the aggregate expenditure proposed by the government, and not in regard to these four or five harbours. I referred to the aggregate expenditure proposed in regard to railway extensions, and the point I intended to make and did make was that it was time to call a halt. I mentioned the fact that the expenditures for harbours on the one side, and railways on the other, called for guarantees of about $57,000,000, and in addition to this amount there had been estimates placed before the house amounting to $400,000,000. I realize that the expenditure in respect to the port of Halifax is an attempt to carry out the recommendations of the Duncan report, but it is time that someone called attention to the manner in which this government is piling up expenditures. That is what I intended to do and what I hope I succeeded in doing, and I repudiate the suggestion that my remarks were in any way directed against the port of Halifax.

Mr. CANTLEY: I do not propose to be lectured by the hon. the Minister of National Defence. I think I have read the Duncan report as often and as carefully as has the minister.

Mr. RALSTON: I suggest that my hon. friend read it again.

Mr. CANTLEY: I will do that when it suits me to do so and without any advice from the minister. I may read and later refer to it so often that he will regret having referred to it. I think I understand the language of that report, and I submit, as I have already stated, that the action proposed to be taken now is not in accordance with the recommendations of that report. So far as "harping" on this commission's report is concerned, or "whining," which is the language —of another of the hon. minister's colleagues —I want to say that I am perfectly willing that my attitude and his should be left to the judgment of the people of Nova Scotia.

Mr. PRICE: I regret very much that the Minister of National Defence has become so stirred up over the rather mild criticism which has been offered from this side of the house with regard to the development of the ports of Halifax and St. John. The house is to be congratulated on the fact that we have been getting along so nicely; that legislation has been moving so rapidly, and that the policies of the government are being worked out by both sides of the house in such an harmonious manner. We are all pleased with the development that has taken place at the ports of Halifax and St. John, and also with the fact that the White Star

line has given up the terminal of Portland, Maine, on the Grand Trunk system and has adopted Halifax instead. That suggestion, I think, came largely from this side of the house, and it was pointed out that the government had acquired the Grand Trunk—

Mr. RALSTON: I understand it was my hon. friends on that side of the house who voted to purchase the road to Portland.

Mr. PRICE: I was coming to that. After the amalgamation of the roads in days gone by and our being put in possession of the Grand Trunk railway which runs down to Portland, we were in a position to talk to the White Star people and to see whether it was possible to divert to a Canadian Atlantic port the traffic which was going to Portland. I am glad to note that has been done and the White Star line, after a successful test made with the steamer Regina, decided that Halifax would be in future their port. I am sure we on this side of the house are very much pleased with the efforts that have been made and the success that has been attained in this regard, in that the ports of Halifax and St. John are being recognized and that the government of the day, by improving them, is still further recognizing them. I hope in the near future the Minister of Railways will see his way clear to take the matter up with the management of the railways and see whether the grades cannot be lessened over that portion of the Canadian National Railways known as the Intercolonial where the grades are at the present time a little high. If that can be accomplished, we would have heavier trains passing through, and our Atlantic ports would be recognized more than they have been in the past.

I wish to point out to the Minister of Railways and the Minister of National Defence that the time is coming very rapidly when it will be almost unsafe on this side of the house to offer any criticism at all. We have been so far particularly mild on this side, but I can assure the government that there are points in connection with the recommendations of the Duncan commission that have not yet been carried out. As far, however, as these ports are concerned, we, as maritimers, are very much in accord with the stand which has been taken by the government in regard to their development.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 69, to provide a further loan to the Halifax harbour commissioners.

Motion agreed to and bill read the first time.

78594—32½

RAILWAY ACT AMENDMENT

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 60, to amend the Railway Act.

Mr. STEVENS: Explain.

Mr. DUNNING: This bill contains several amendments. The matters dealt with in it are unrelated to each other, and it is therefore rather difficult, on the second reading, to discuss any one principle. The procedure I thought of suggesting to the house was that the whole bill might be referred, after discussion on the second reading, to the committee on railways, canals and telegraph lines, there to be examined without prejudice to discussion on the part of any hon. member at a later stage in committee of the whole. I will just run over the objects of the amendments proposed in the bill.

The first amendment deals with a matter discussed at the last session of parliament, namely, that of tolls on international bridges. It will be remembered that last session there was some discussion as to difficulties arising through various authorities having power to regulate tolls on international bridges, and I gave an undertaking on behalf of the government that we would look into the matter, and, if possible, propose a solution. The solution which is proposed in the first amendment in this bill is that all tolls on such bridges, however incorporated in the past, whatever the terms of the legislation presently existing may be, will in future be under the control of the Board of Railway Commissioners in the same manner as all other tolls.

The second amendment deals with a matter also discussed at the last session, and places under the control of the Board of Railway Commissioners the issue, sale or other disposition of increased capital stock of any company, the tolls of which are subject to the approval of the board. In that connection I would just say that the proposed amendment is of great importance and far-reaching in its effects. I am advised that a number of institutions coming under the legislation desire to make representations with regard to it, and I presume those representations will, if that is agreeable to the house, be made to the committee on railways, canals and telegraph lines.

The third amendment deals with the subject matter of the resolution passed a day or two ago, extending the provisions relating to contributions to the grade crossing fund for a further period of ten years at the rate of $200,000 a year. I gave some information when the resolution was before the house and if the bill goes to the railway committee it will be possible there to summon the officers

of the railway commission and to go into any phase of the administration of the grade crossing fund.

The fourth and fifth amendments are made at the request of the Board of Railway Commissioners, and are technical in character, designed to facilitate the filing of tariffs and reduce the number of tariffs to be filed in certain cases. I am advised by the board that, in order to comply with the law as it at present exists, it is necessary for companies to file as many as 170 documents in connection with one particular item of freight traffic. The recommendations of the board have to do with simplifying the procedure in that regard.

The sixth amendment deals with a question much discussed last session, having to do with companies which are subsidiary to companies at present within the range of the act. My hon. friend from South Toronto (Mr. Geary) has a bill now before the railway committee dealing with this matter. During the recess the law officers of the department and of the railway commission and of the Department of Justice have been giving attention to the best manner in which to effectuate the purpose which was the subject of so much discussion last session, and which is now made a part of this bill. The method of obtaining the objective is unlike the one adopted by my hon. friend from South Toronto. The proposal in this bill is more far-reaching. It embraces all the companies falling within the purview of the act, but I think it will be found to be completely satisfactory so far as effectuating that purpose is concerned, if parliament desires to have that purpose effectuated. I submitted the proposal to the railway commission with the question as to whether they would have under these amendments with respect to subsidiary companies all the powers necessary to enable them to make any investigation into their affairs which the carrying out of the act would necessitate, and the answer was that the amendments proposed, and as contained in this bill, would enable them to do what was desired in that regard.

I think that covers all the proposals contained in the bill. While I am, of course, prepared to listen to a discussion of any of them, I am debarred on the second reading from speaking again and from answering questions, and I suggest that it would be more convenient to discuss the amendments at another stage. I just wish to advise the house that it is my intention to move that the bill be referred to the railway committee, in order that an examination of all the details of the bill can be there made.

Hon. HUGH GUTHRIE (South Wellington): I have listened with a good deal of interest to the explanation of the minister, and I have read the bill with some care. The bill is involved and to some extent technical, and I think the suggestion of the minister that it be now read a second time and be referred to the railway committee for further consideration is a very wise one.

Motion agreed to, bill read the second time, and referred to the select standing committee on railways, canals and telegraph lines.

WAR REPARATIONS

PAYMENT OF $2,500,000 TO CUSTODIAN

The house resumed from February 14, consideration of the motion of Mr. Rinfret that the house go into committee on the following proposed resolution:

That the Minister of Finance be authorized to place to the credit of the custodian, out of the reparation money paid into the treasury for losses sustained during the late war, a sum not exceeding $2,500,000 and that provision be made as to the method and scale of payments.

Mr. W. G. ERNST (Queens-Lunenburg): Before any debate takes place, I would ask the Secretary of State (Mr. Rinfret) if he would explain the proposals of the government under this resolution.

Hon. FERNAND RINFRET (Secretary of State): That is my intention. This question was before the house during the last session, having been brought up on a motion moved by the hon. gentleman who has just risen (Mr. Ernst).

Mr. GUTHRIE: Is the hon. gentleman closing the debate, Mr. Speaker?

Mr. RINFRET: No, I am opening it.

Mr. GUTHRIE: He has already spoken.

Mr. SPEAKER: I understand that the hon. gentleman has spoken once.

Mr. RINFRET: The question was raised the other day when this motion was before the house, and I understood there was to be a debate to give the minister a chance to explain the resolution. I am in the hands of the house, but it seems only natural that an explanation should be made.

Mr. GUTHRIE: Does the minister close the debate by speaking now? He has already spoken.

Mr. SPEAKER: No. He is simply appealing to the house for a chance to explain the resolution in committee.

Mr. RINFRET: Perhaps my hon. friends would consent to the resolution going into committee, and I will make my explanation there.

Mr. ERNST: I would ask the minister to make his explanation now.

Mr. SPEAKER: He has already spoken.

Mr. RINFRET: I cannot do it on both occasions.

Mr. ERNST: Before the resolution goes to the committee, there are some remarks that I wish to make. We are in the somewhat unusual position of having a resolution introduced by the minister, setting aside $2,500,000 for certain purposes connected with reparation claims, and we are completely in the dark as to what is meant by the resolution. As I understood the minister's attitude when the resolution was first moved, he refused to give information.

Mr. RINFRET: No, that is not fair.

Mr. ERNST: I asked him when he was on his feet to give the house some explanation as to his proposals. The only assumption we can make is that in setting aside $2,500,000 the government is setting aside a sum that is insufficient to pay the claims in full. Whether the minister may say later that the $2,500,000 is being set aside as a payment by way of instalment, I do not know, but I am going to assume for the moment that this amount is being set aside not as an instalment, but as the final dealing of the government with the question of reparations; that the government is setting aside $2,500,00, as was intimated by the minister, as an act of grace towards those who suffered loss by reason of enemy actions during the late war.

I had occasion last year to refer at some length to this matter. It is not my intention to go into it fully now, but there are a few remarks relative to the subject which I feel ought to be repeated in order that the house may have a clear understanding of the situation.

We have in the consolidated revenue fund of this country to-day, or had last year, the sum of $10,800,000, which has been received as payment on reparations from Germany under the treaty of Versailles. We should have to-day in the consolidated revenue fund, if Germany has made her payments during the year, approximately $15,000,000, because the payments of reparations by Germany to Canada are fixed at approximately $5,000,000 for an indefinite period of years. Those payments are made, if at all, by reason of one fact only, namely a contract made between this country, as one of the allied nations, and Germany, and that contract is known as the treaty of Versailles. Those payments are being made under article 232 of the treaty of Versailles, and at the risk of repetition I want the house to listen again to that article. I shall read only a portion of it:

> The allied and associated governments, however, require, and Germany undertakes, that she will make compensation for all damage done to the civilian population of the allied and associated powers and to their property during the period of the belligerency of each as an allied or associated power against Germany by such aggression by land by sea and from the air, and in general all damage as defined in Annex I hereto.

The first thing to which I wish to draw the attention of the house is that obviously the whole spirit of that section is the payment of civilian damage, whether it be damage to property or to life or to health. Added to it is "in general all damage as defined in Annex I" of the article. Now Annex I contains some ten subsections, eight of them relating entirely to the individual and only two of them relating to the state. One of those two is of no consequence, and the second relates to the payment of pensions on the French scale.

We have received money from Germany under that contract, and in no other way; and the whole spirit of the contract is that this money is paid as compensation for civilian losses during the war inflicted by Germany or her allies. We have received to-day, as I pointed out in the beginning of my remarks, approximately $15,000,000. That is one side of the picture. We have received that money from Germany under a contract, and it is ear-marked for a certain purpose.

The other side of the picture is this: Have we ascertained the claims for which that money has been paid by Germany? I need not take you any further back than the report of Mr. Friel, which was filed with the government on December 27, 1927. I may say in passing that last year the excuse which the Secretary of State offered for not dealing with the matter was that the government had not had time, that they only received the report late in the session. But they had the report of Mr. Friel in their possession on December 27, 1927, the date which it bears, or one month before the session began.

By this report Mr. Friel found that some sixteen hundred people in this country are entitled to payment of claims in full under article 232 of the treaty of Peace. Those sixteen hundred people have coming to them a total amount in round figures of $4,246,000. He has recommended the payment of interest at five per cent in the case of property loss from the date of the loss, in the case of all other claims from the date of the ratification

of the treaty of Versailles by this parliament, January 10, 1920. With interest those claims amount to-day to approximately $6,500,000. According to the figures which the Secretary of State tabled last session they amounted then to just a little over six and one-quarter millions of dollars.

Now, sir, we have the complete picture. We have fifteen million dollars in the consolidated revenue fund of this country received from Germany, and we have the claims ascertained at six and a half million dollars, with interest. Why, then, is the government setting aside two and a half million dollars to pay these claims? Why not the six and a half million dollars which are requisite to pay them in full?

The attitude which the minister took last session was this. He said: we are going to follow the practice of Great Britain. Because they made ex gratia payments, we are going to make ex gratia payments, or charitable donations, if you choose to call them such, to those who suffered loss by enemy action. He also said that the provisions of article 232 of the peace treaty had been abrogated at the conference of the Spa in 1921, so that that article, in popular parlance, went by the board. I ask hon. members if they ever heard of a contract between two individuals abrogated by a bargain made between two other individuals. Suppose I make a contract with the hon. Secretary of State, can I abrogate that contract by entering into an agreement with the member for Inverness? Yet that is what he is saying in relation to article 232 of the treaty of Versailles. He cannot produce anything to show the house that Germany is paying one cent to this country or to any other of the allies, with the exception of the United States, under any other arrangement than that set out in article 232 of the treaty of Versailles; and in the case of the United States Germany pays under a separate treaty which contains exactly the same provisions.

Great Britain's course was what? Great Britain in 1920 set aside five million pounds, which was applied towards payment of necessitous claims in the first place, and on a sliding scale towards payment of all other claims. But for two reasons the case of Great Britain is not parallel with ours. Firstly, when Great Britain set aside five million pounds she was setting aside her own money; she had not received any from Germany. In the second place, Great Britain requisitioned all her shipping during the war. It was under the control of the state; the state insured it, and if a ship was lost the insurance company paid the policy money. In other words, if the owner lost his ship he did not lose the value of it; he received compensation. But in this country the shipping was carried on by private individuals, and if a ship went down the owner had to bear the loss. Consequently, as a majority of our claims are claims for shipping losses, there is no parallel between the situation in Great Britain and the precedent which the minister finds in the action of the British government, and our own situation.

Let us take the record of the government itself. The action of Great Britain dates back to 1920. In 1925 this government surely was aware of the precedent which had been set up by Great Britain, yet in 1925 they appointed Mr. Friel to investigate these claims. They were also aware of that precedent in 1923, when they appointed the late Doctor Pugsley to investigate claims falling within article 232 of the treaty. I ask the house to bear with me for one minute while I turn to the commission of Doctor Pugsley. This is the first paragraph:

> Whereas, in and by an order of our governor general in council, bearing date the thirteenth day of March, in the year of Our Lord, 1923, (copy of which is hereto annexed), provision has been made for an investigation by our commissioner therein and hereinafter named and report upon all of the claims set forth and referred to in the said order in council hereto annexed, for the purpose of determining whether they are within the categories in the first annex to section one of part eight (reparation) of the treaty of peace with Germany, and the fair amount of such claims, and to make such findings as may be of assistance to the government of Canada in determining which, if any, of such claims should be paid and the extent of payment thereof, and for the purpose of considering and recommending to the custodian of enemy property releases where the parties are necessitous, suffering and in hardship.

I draw the attention of the house to these words:

> —to make such findings as may be of assistance to the government of Canada in determining which, if any, of such claims should be paid, and the extent of payment thereof,

In the first place, Doctor Pugsley was appointed to investigate claims falling within article 232 of the treaty of peace. In the second place, he was appointed to determine the fair amount of the claims in order to assist the government in deciding what they should do. Doctor Pugsley's appointment, I may say in passing, was three years after the action of Great Britain, which is now set up as a precedent. In 1925, when Mr. Friel, was appointed, the recital in the commission

reads in part the same as that given to Doctor Pugsley, but the last words are different:

Whereas in and by our certain letters patent under the great seal of Canada, bearing dates respectively the thirteenth day of March and the twenty-first day of May in the year of Our Lord, 1923, a copy of which is hereto annexed, we did nominate, constitute and appoint the late the Honourable William Pugsley, in his lifetime of the city of St. John in the province of New Brunswick, to be our commissioner to investigate and report upon all the claims set forth and referred to in the orders in council of the thirteenth day of March and the twenty-first day of May, 1923, copy of which was annexed to our letters patent respectively, and all claims which might be submitted to our said commissioner for the purpose of determining whether they are within the first annex to section one of part eight of the treaty of Versailles and the fair amount of such claims.

Now I ask the house to note the change in the wording. In this case Mr. Friel was appointed to investigate claims falling within article 232 of the treaty of peace, and he is appointed to recommend the fair amount of such claims. The words:

—as may be of assistance to the government of Canada in determining which, if any, of such claims should be paid, and the extent of payment thereof—

—have been deleted from the recital, and obviously they have been deleted for a purpose. That purpose was that the government at that date thought it would be bound to pay what Mr. Friel recommended. That is obvious from the fact that on the very day of issue of Mr. Friel's commission Mr. Copp, then Secretary of State, introduced into this house a resolution providing for payment of Mr. Friel's awards. How in face of that declaration of policy can the government come here and say to-day: "We are going to provide two and a half million dollars in payment of claims which with interest aggregate six and a half million dollars"? It is changing the whole policy of the government, and changing it, I submit, without reason.

Mr. Friel in the course of his report recommended that all these claims be paid in full with interest on property loss from the date of loss, and on all other claims from the date of ratification of the peace treaty by this country. Now, sir, in addition to that, when Mr. Friel was appointed, as also when Doctor Pugsley was appointed, there were other significant words in the orders in council. In both orders the German government was given the right to have counsel appear before both Mr. Friel and Doctor Pugsley on the investigation of these claims. I ask the Secretary of State, what interest has the German government in a charitable donation by this government to the citizens of this country? Why was the German government allowed to have counsel, indeed, asked to have counsel before the reparations commissioner if it was not because the government felt bound by article 232 of the treaty of peace?

It is not my intention to labour this question at great length, but I submit that we have in the United States an exact parallel to our own case. The treaty of peace between Germany and the United States contains a provision which is identical with our article 232. The United States last year provided for the payment of its reparations claims in full, and to do so they required $191,000,000. They did not have enough German reparations money and so they took $50,000,000 of their own. They took a large sum from the enemy property fund and paid in full all claims up to $100,000, and provided, in respect to the larger claims, that payment would be made in full as the money was received from Germany. Their situation being precisely the same as ours, they present an exact parallel; and if the government are looking for a precedent in this instance I would ask them to look, as they so often do, to the south of the line and not across the water.

But apart altogether from the equity of the matter, I submit that there are moral reasons why these claims should be paid. I know that the minister will probably reproach me with confusing issues if I refer to the enemy property fund and the payments made out of that fund. But we had in this country, and we have to-day, a very considerable fund made up of sequestrated German property and debts due from the people of this country to German nationals, and the distribution of that fund falls within articles 296 and 297 of the treaty. Broadly speaking, claims under the treaty can be made against that fund only in the case of detention or destruction of property within the boundaries of Germany during the war. Let me give an example. At the outbreak of the war the Thompson Shipping Company had two vessels tied up in Hamburg, where they remained during the war. That company were able to claim under article 296 of the treaty, and they received an award of $1,300,000 from the mixed tribunal which sits in London, so that the government of this country paid out of the enemy property fund that sum in settlement of the Thompson Shipping Company's claim. What is the difference morally or in equity between the case of the Thompson Shipping Company and that of Besco—or the Scotia company,

a subsidiary of Besco—which had five vessels sunk on the high seas during the war? Are we to give the Thompson Shipping Company 100 cents on the dollar and, relying upon a technicality, give to the Scotia only 10 cents? Is that equitable or just?

Take another case within article 296. The Massey-Harris Company had a large amount of property sequestrated in Germany, in respect to which they received $300,000; while The T. Eaton Company had a large amount sequestrated in Amsterdam, outside the bounds of Germany, and so it did not fall within either article 296 or 297. The T. Eaton Company had to rely on article 232. The Massey-Harris Company received 100 cents on the dollar; and are we going to give the T. Eaton Company 10 cents? I ask the members of this house whether that is reasonable or just. Can we make fish of one and flesh of the other? Having considered ourselves bound by the provisions of articles 296 and 297, are we going to say that in this case article 232 is not applicable? Let me tell the house further that in the case of disputed claims, where there is no claim under 296 or 297, and where the claim has only been asserted, the German government pays 15 per cent in settlement. Now are we going to be worse than the German government, which pays our nationals 15 per cent on an unfounded claim, and pay to our own people, on claims which are just, only 10 cents? But there are other moral reasons besides.

Take the situation in my own constituency —and I know that the hon. member for Antigonish-Guysborough (Mr. Duff) will corroborate every word I say. A large number of fishing vessels were sunk there during the war; the submarines got amongst the fleet and destroyed the vessels. These vessels are operated on the share basis: the men go to sea in the ships, relying for their pay on the proportion of the value of the catch to which they are entitled. Many of these ships were sunk, in many instances when they contained their catch, so that the men lost their season's earnings. The vessels are more or less community owned; many of the men who sail in them are shareholders. The commissioner recommended the payment of property loss as well as payment on account of lost earnings; he also recommended compensation as solatium in the case of men who were set adrift sometimes hundreds of miles from land in open dories. In many instances these men came home penniless. Some had to mortgage their homes to get along or had to be carried by the local merchants. They had to pay interest on the money they borrowed to tide them over the period to which their earnings would have applied. They paid interest on that money, and are they not to be compensated for the loss they have sustained? I appeal to the government therefore, even at this late date, to amend this resolution so as to make payment not only of 100 cents on the dollar but also of interest, as recommended by the commission. In so doing, the government would be only doing justice, and tardy justice at that.

Mr. THOMAS CANTLEY (Pictou): I wish to support the claim made by the hon. member who has spoken (Mr. Ernst). I am surprised at the action taken by the government in this matter. In New Glasgow one of our ships, of about 5,500 tons, was taken over by the British government and was later sunk in the Mediterranean. The owners were paid the full value of that vessel years ago as was done in cases referred to by the hon. member for Lunenburg (Mr. Ernst). Take the case of half a dozen ships or more owned by the Scotia company of New Glasgow: we owned or controlled some 75,000 tons or more of shipping at the beginning of the war and at its conclusion had but one vessel left. We had a steamer carrying railway cars to Vladivostok, built at New Glasgow for the then allied Russian government; owing to the collapse of the Panama canal she had to be sent through the Mediterranean and the Suez canal. That ship was torpedoed south of the island of Crete, the crew being turned adrift. They were adrift some five days in wintry weather, finally landing on the south of Crete, after one of the boats was upset in the swell and its occupants thrown into the water. Now that is only one case out of several. Had these vessels been taken over by the British government, as was another New Glasgow-owned steam vessel, full compensation would have been made and that years ago. There was only one reason why they were not so taken over by that government; they were employed almost solely in the transport of railway cars or other material for use of the British government or the allies. Their charter value at that time, according to the rates paid other steamers, would have been quite $200,000 per month. As yet we have not received a penny, and now the Secretary of State proposes to pay us 15 per cent of our loss. Is there anything fair, is there anything just, is there anything reasonable in that proposition? I leave it to the house.

Mr. L. J. LADNER (Vancouver South): I rise at this stage to protest against the principle involved in this resolution. The

very able addresses of the last two speakers leave little to be said, if it is possible to convince the government of the wisdom, even at this moment, of changing their course. There is another aspect of the question. I had intended covering some of the points made by the last two speakers, but will not need to do so. However, I would like to point out the injustice, the unfairness and the lack of consideration on the part of the government with respect to Canadian citizens as compared with the treatment received by citizens of the United States, Great Britain and Germany. There is the case of a company which insured vessels carrying produce across the ocean; the vessels were sunk, the goods lost and the insurance paid. The insurance company is subrogated to the ranks of the claimants. In the United States, under the act known as the Settlement of War Claims Act of 1928, the rights and merits of these claims were fully investigated and an act was put through providing that claimants of this kind, who actually sustained the loss, should be reimbursed to the extent of one hundred cents on the dollar plus interest.

Part of the work in Canada had been done before Commissioner Friel was appointed. I know of one case where Commissioner Pugsley brought down a judgment which was not officially reported, favouring the claimant. Mr. Friel inquired into the whole question again and came to the conclusion that the claim should not be allowed because of a technicality which is not recognized in any other country; in other words, equitably and legally he was entirely wrong. I understood that it was the intention of the government some time ago to provide for the right of appeal to the exchequer court; large sums of money and consequent far-reaching effects upon business make it right and just that something more than the authority of a commissioner of the government should be final in matters of this kind. Why the government have changed their course I do not know; they seek to appropriate $2,500,000 now, with the inference that this is the final distribution, notwithstanding the fact that the government have in hand approximately $15,000,000 of German money under the Dawes plan which, by all rules of common sense and ordinary understanding, was intended to reimburse the nationals of this country. I think the forceful argument of the hon. member for Queens-Lunenburg (Mr. Ernst) not only demonstrates that point but is overwhelmingly convincing in the conclusion he drew.

Now I put it to the government: On what ground of reason, fairness or justice to our own people whom we normally seek to protect can the government refuse to use this money for this purpose? In addition to that they have some $12,000,000 in the hands of the custodian of alien property, which under certain conditions would be available to our nationals. It seems to me that instead of aiming to protect and reimburse our own people for whom they are trustees, the government are seeking to deprive Canadians of the money and rights to which they are justly entitled through the depredations and the inhuman conduct of the enemy during the war; they are depriving our people of these things and extending to Canadians a treatment which the citizens of no other country are obliged to receive. I do not put it stronger than that, because I do not think it is the intention of the Secretary of State to throw deliberately upon the people of this country who were injured as a result of the wrongful acts of the enemy an injustice which cannot be defended in a court of law, in parliament or before the bar of public opinion.

There is just one other aspect of the case. I appeal to the government to carry out the understanding, whether official or unofficial, that the right of appeal to the exchequer court would be established. These claims, involving large sums of money, should not be left to the judgment of one official of the government; there should be a right of appeal to some court and I submit that the exchequer court is the proper place. I want to draw the attention of the government to the case of the Lusitania, which covers some of the points with which I am concerned, and which was considered in the United States before the umpire of the Mixed Claims Commission, whose judgment was as follows:

> The Lusitania was freighted with persons and with personal property. Germany's act in destroying her caused the loss of the ship, some of the lives, and practically all of the property that formed her cargo. The lives that were lost and the property that was destroyed entailed economic losses to the world, to the nations to which they belonged, and to the individuals owning or having an interest in the property or dependent for contributions upon the physical or mental efforts of those whose producing power was destroyed by death. The aggregate amount of the property lost became fixed when the ship sank and is neither increased or diminished nor in any wise influenced by the amount of the insurance or reinsurance thereon. The insurance becomes material only in determining who really suffered the loss. This is because a contract of marine or war risk insurance is a contract of indemnity ingrafted on and inhering in the property insured.

The extent of the liability thereunder is limited by the economic loss suffered. The insured suffers no loss to the extent of payments made him by the insurer, who is the real loser to the extent of such payments not reimbursed by reinsurance.

That is an extract from the decisions given by the Mixed Claims Commisison in the United States. I have had brought to my attention, among others, one claim of some substance which comes exactly within the principle of that decision, a principle which has been followed in Great Britain, and I submit that in the face of the finding of the commissioner, wherein he bases his decision against the law and against the equities as they are determined in other countries, nothing could be fairer than that the applicant should have the right of appeal to some other tribunal for final decision, where perhaps he would be given greater consideration both as to the law and as to the merits of the case.

Without involving the rule to which you referred, Mr. Speaker, may I ask the minister now if it is the intention of the government, before the completion of this matter, to afford an opportunity for appeals of this kind to be presented, or is the present motion the final action on this question?

Mr. MACKENZIE KING: When we are in committee we can answer the questions.

Mr. LADNER: If we allow the resolution to pass we are approving of the principle, and we think the principle unjust.

Mr. MACKENZIE KING: My hon. friend is asking a number of questions which can be answered only when the resolution is being debated in committee. I am not asking him to do more than to go into committee, and then the questions can be answered.

Mr. LADNER: How can we do that without approving of the principle?

Mr. MACKENZIE KING: The hon. member need not approve of it unless he wishes; that is for him to decide, but this is not the time to ask questions.

Mr. LADNER: There is no difficulty in answering that question if the minister so desires. I have stated, Mr. Speaker, and I desire to repeat it in another form in an effort to impress it upon the government—

Mr. RINFRET: I rise to a point of order. In view of the fact that I am precluded by the rules from speaking again on the main question, I should not be asked further questions.

Mr. STEVENS: On the point of order, I submit that the government have a dozen ministers who could answer this question.

[Mr. Ladner.]

Mr. MACKENZIE KING: It is not the proper time to answer them.

Mr. STEVENS: The Prime Minister is endeavouring to apply the rules in a manner which will force us to accept a principle which we do not think we should accept.

Mr. RINFRET: On another point of order, Mr. Speaker, I contend that the hon. member for Vancouver Centre (Mr. Stevens) has already spoken and that he should not discuss the resolution further.

Mr. STEVENS: I was speaking to a point of order, and therefore I was in order.

Motion stands.

BUSINESS OF THE HOUSE

SELECT STANDING COMMITTEES—CHANGE IN MEMBERSHIP

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

That the names of Sir Eugene Fiset, Messrs. Bowman and Rennie be substituted for those of Messrs. Fafard, Bowen, and Manion on the select standing committee on railways, canals and telegraph lines.

That the names of Messrs. Spence and Smith (Stormont) be substituted for those of Messrs. Spencer and Rutherford on the select standing committee on miscellaneous private bills.

That the names of Messrs. Boys and Guérin be substituted for those of Messrs. Casselman and Smith (Stormont) on the select standing committee on banking and commerce;

That the name of Mr. Bell (Hamilton West) be substituted for that of Mr. Clark on the select standing committee on public accounts.

That the name of Mr. Macdougall be substituted for that of Mr. Rennie on the select standing committee on industrial and international relations.

That the name of Mr. Ross (Kingston City) be struck off the list of members of the select standing committee on industrial and international relations; and

That the name of Mr. MacLaren be added to the joint committee of both houses on the restaurant.

Motion agreed to.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 27, 1929

The house met at three o'clock.

PETITION

APPLICATION OF SUPERANNUATION ACT TO GOVERNMENT TELEGRAPH SERVICE

Mr. A. W. NEILL (Comox-Alberni): I desire to present to the house a petition signed by employees of the telegraph service of Can-

ada praying that they be permitted to come under the provisions of the Superannuation Act and would ask that it be read.

The Clerk Assistant read the petition as follows:

To the Honourable the House of Commons of Canada, in parliament assembled:

1. The petition of the undersigned employees of the telegraph service of Canada humbly sheweth,

That we are employed in the telegraph department of the government service as telegraph agent operators, telegraph messengers, linemen, foremen, operator-linemen, agent-linemen, etc.

2. That it has been ruled that we are not eligible for superannuation as we are said to be paid at "prevailing rates."

3. That this is only a technical distinction as our salaries do not fluctuate, but remain constant for many years at a time. In this connection we may mention that those who are classified as "telegraph operators" are entitled to superannuation. This will apply to subordinate operators in a town, while in small towns and in country places where the telegraph operator has the responsibility of action as agent, he is then classified as "telegraph agent operator" and is not eligible.

4. That parliament has decided that it is in the interest of the public that permanent experienced officials should be encouraged to stay in the service by the prospect of superannuation in their old age and that the same argument applies with equal force to our case.

Wherefore your petitioners humbly pray that your honourable house may be pleased to pass legislation enabling them to contribute to the superannuation fund and derive its benefit; and as in duty bound your petitioners will ever pray, etc.

REPORT OF COMMITTEE

First report of the select standing committee on banking and commerce.—Mr. Hay.

OPIUM AND NARCOTIC DRUG ACT

REPORT OF SPECIAL COMMITTEE ON BILL NO. 4

Mr. J. P. HOWDEN (St. Boniface) moved that the first report of the special committee for the consideration of Bill No. 4 to amend and consolidate the Opium and Narcotic Drug Act, be concurred in.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I do not see why there should be any particular rush to hold special sittings of this committee while parliament is in session. The work of the house is well advanced; the session is young. At most a couple more meetings of this committee will enable it to finish its work. Personally I think we can find plenty of time for this purpose without sitting while the house is in session.

Motion negatived.

DOMINION ELECTIONS ACT

REPORTS OF SPECIAL COMMITTEE

First and second reports of the special committee appointed in accordance with the recommendation by the select standing committee on privileges and elections.—Mr. Power.

PRIVILEGES AND ELECTIONS

Mr. C. G. POWER (Quebec South) moved:

That the first and second reports of the special committee appointed in accordance with the recommendation of the select standing committee on privileges and elections, concurred in by the house on June 5, 1928, be concurred in.

Mr. W. A. BOYS (North Simcoe): As a member of the committee, I would ask the chairman not to press the motion. Surely at this stage of the session there is no occasion for such a motion; if it becomes necessary later on, may it not be considered then? Surely we can have our meetings in the morning and not while the house is in session, when we desire to be here attending to our duties.

Mr. POWER: This appeared to be the unanimous desire of the members of the committee who attended at this morning's session, and therefore I have presented it. Perhaps I may be allowed to say a word to express what I regard as the views of the committee. The two acts, the Dominion Elections Act and the Dominion Controverted Elections Act, are quite bulky. There are a large number of articles which it would appear to have been the intention of the committee to go over thoroughly. If that is the case, it will take a great deal of time, possibly more than we shall be able to devote to the matter this session. Personally, much as I should wish to meet the desire of my hon. friend, I must urge strongly that we proceed at the earliest possible moment with the work we have in hand. It may be that this is not of any great importance to the general public, but surely members of parliament ought to be interested in the act which sends them here, and we should do our utmost to get on with the work as soon as possible. However, so far as I am concerned, the act is fairly satisfactory in that it has sent me here, and if it were not revised this year I do not suppose I should be any the worse.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MCDONALD'S BAR, FRASER RIVER

Mr. BARBER:

1. In what year was channel dredged at McDonald's bar, Fraser river, and known as King Edward cut?
2. Did the district engineer recommend this work?
3. What was the object of the work?
4. What is the length of the cut?
5. Was the work completed?
6. If not, why?
7. Was the work done by contract?
8. If not, how was it done?
9. What was the estimated cost?
10. What was the actual cost?
11. If the work has not been completed, what is the estimated cost of completion?

Mr. ELLIOTT:

1. In the years 1914-15, 1915-16, and 1921-22.
2. Yes, at the time the work was undertaken.
3. To divert current from Nicomen island where the bank was eroding.
4. 5,600 feet.
5. No.
6. Owing to high elevation of discharge and also to running ice, which endangered plant
7 and 8. By contract and day labour.
9. $40,800 for a channel 150 feet wide, 3,600 feet long and 4 feet below extreme low water. Estimate made in 1913.
10. $87,225.40.
11. Estimated cost of revised scheme $95,000

OPIUM AND NARCOTIC DRUG ACT

OPIUM AND NARCOTIC DRUG ACT

Mr. EDWARDS (Frontenac-Addington):

1. When was the Opium and Narcotic Drug Act first passed in Canada?
2. When was the said act amended to provide for the deportation of aliens convicted of trafficking?
3. How many persons have been convicted of trafficking in each year since 1922?
4. How many so convicted were classified as aliens and how many as not aliens?
5. What were the countries of origin of the aliens convicted and deported?
6. What was the average length of time such aliens had been in Canada?
7. Has the lash been applied to any of the aliens convicted of trafficking before they were deported?

Mr. RINFRET:

Department of Pensions and National Health

1. 1908.
2. June 28, 1922.

[Mr Power.]

3.

Judical year ending Sept. 30th.	In possession of narcotic drugs	Selling and dispensing narcotic drugs	Breach of Opium and Narcotic Drug Act. Not otherwise defined	Total
1922 . .	1,096	115	138	1,349
1923 . .	738	63	78	879
1924 . .	384	36	165	585
1925 . .	381	55	52	488
1926 . .	302	33	79	414
1927 . .	163	37	124	324
1928 . .	129	51	163	343

4.

Judicial year ending Sept. 30th.	Racial Origin		
	British and American	Other countries	Total
1922..	663	1,195	1,858
1923..	600	502	1,102
1924..	309	688	997
1925..	258	577	835
1926..	149	594	743
1927..	102	388	490
1928..	155	396	551

NOTE: The above figures of "racial origin" include those convicted of smoking opium and keeping or frequenting opium dens, and as they are not considered as being in the class of traffickers, are not included in the figures given under question "3".

5. Number of aliens deported from Canada having been convicted of offences under the Opium and Narcotic Drug Act, during the six calendar years ended December 31, 1928.

Nationality	1922	1923	1924	1925	1926	1927	1928	Total
Chinese . .	4	92	125	88	86	55	61	511
Czecho-Slovak .				1				1
East Indian .						1		1
English. .		2	1	1				4
French . .		2		1				3
Greek . . .		1						1
Irish . . .		1						1
Italian . .		2	2	2			1	7
Japanese .			1				1	2
Philip-pino . .		1						1
Rou-manian .					1			1
Scotch . .				2				2
Swedish . .			1				1	2
U.S. citizens .	11	29	24	24	10	13	3	114
	15	130	154	119	97	69	67	651

6. 16 years 11 months.

7. The lash in the act as it now stands is only applicable to the giving of narcotics to minors, and was first established on June 13, 1923. The department is not aware of any case in which it has been applied.

Department of Immigration & Colonization

1, 2, 3, 4. No information.

5. China, Czechoslovakia, France, Germany, Greece, Italy, Japan, Philippines, Roumania, Sweden, Switzerland, United States.

6. Sixteen years and eleven months.

7. No information.

EXSHAW, ALBERTA, POSTMASTER

Mr. IRVINE:

1. Who is the postmaster at Exshaw, Alberta?
2. When was he appointed?
3. For what reason, and on whose recommendation was the appointment made?
4. Who occupied the position previous to the present postmaster's appointment?
5. Why was the change made?

Mr. RINFRET:

1. Miss Nellie Dobson.

2. The certificate of appointment was issued by the commission on September 26, 1928, and Miss Dobson reported for duty and began work on January 7, 1929.

3. The appointment was made as a result of open competition advertised by the Post Office department. Four applications were received. The only other qualified applicant besides Miss Dobson was Mr. Adam Baptie, but as he was of advanced age, that is, over seventy years, the commissioners considered the appointment should go to a younger person. The selection was made as a result of a rating made from the applications, and the report made by the district superintendent of postal service, Calgary.

4. D. R. MacDonald was the previous postmaster. From the time of Mr. MacDonald's resignation until the appointment of the new postmistress, the position was filled temporarily by Adam M. Baptie.

5. On account of certificate issued by the Civil Serivce Commission.

CANADA'S FOREIGN BORN POPULATION

Mr. EDWARDS (Frontenac):

1. What were the contributions to Canada's foreign born population. from each of the ten leading countries in order of rank according to, (a) the census of 1901; (b) the census of 1911; (c) the census of 1921?

2. What was Canada's total foreign born population from countries outside of the British Empire, according to, (a) the census of 1901; (b) the census of 1911; (c) the census of 1921?

Mr. MALCOLM:

1.

(a) Census of 1901

United States	127,899
Russia	31,231
Austria	28,407
Germany	27,300
China	17,043
Sweden	10,256
France	7,944
Italy	6,854
Iceland	6,057
Japan	4,674

(b) Census of 1911

United States	303,680
Russia	89,984
Austria	67,502
Germany	39,577
Italy	34,739
Galicia	31,373
Sweden	28,226
China	27,083
Norway	20,968
Bulgaria	19,937

(c) Census of 1921

United States	374,024
Russia	101,055
Austria	57,535
China	36,924
Galicia	36,025
Italy	35,531
Poland	29,279
Sweden	27,700
Germany	25,266
Norway	23,127

2. (a) Census of 1901, 278,449; (b) Census of 1911, 752,732; (c) Census of 1921, 890,282.

BUTTER AND EGG IMPORTS

Mr. SENN:

1. What amount of butter was imported into Canada during the year 1928, from (a) Australia; (b) New Zealand?

2. How many eggs were imported into Canada during the year 1928, and from what countries?

Mr. MALCOLM:

1. Imports of butter into Canada from (a) Australia and (b) New Zealand, year ended December 31, 1928:

	Pounds	$
(a) From Australia	629,944	243,331
(b) From New Zealand	16,124,641	5,673,338

2. Imports of eggs into Canada, by countries, year ended December 31, 1928:

	Eggs in the Shell		Eggs, N.O.P.	
	Dozen	$	Pounds	$
United Kingdom	13,536	3,016	722,161	120,992
United States	932,452	403,740	548,700	138,735
Australia	.....	.....	3,360	772
China	833	164	1,754,692	426,280
France	130	44	.....	.....
Germany	.....	.....	400	223
Hong Kong	49,924	18,039	420	13
Newfoundland	5	2	.....	.....
Total	996,880	425,005	3,029,733	687,015

JOINT SWINE COMMITTEE

Mr. KENNEDY:

1. How many meetings of the joint swine committee were held since the 1927 conference?
2. Who are the members of the committee and what organizations do they represent?
3. Who are the members in attendance at each meeting of the committee?
4. Who paid the expenses of the members for attendance?
5. What was the amount of the expenses so paid?

Mr. MOTHERWELL:

1. Three.

2 and 3. Meetings held August 25th and 26th, 1927, at Ottawa. The members present were: A. A. MacMillan (Chairman), representing federal Department of Agriculture; X. N. Rodrigue, Quebec, P.Q., representing Quebec Swine Breeders; J. D. Brien, Ridgetown, Ont., representing Eastern Canada Live Stock Union; S. E. Todd, Toronto, representing Industrial and Development Council of Canadian Meat Packers; C. M. Learmonth, Regina, Sask., representing Western Canada Live Stock Union; W. A. Amos, Palmerston, Ont., representing the Canadian Council of Agriculture; F. J. Collyer, of Welwyn, Sask., representing the Canadian Council of Agriculture; L. C. McOuat, Ottawa (Secretary).

In attendance—F. M. Baker, Winnipeg, Man., industrial and development council of Canadian Meat Packers (western representative).

Meeting held March 1st, 1928, at Regina. The members present were: A. A. McMillan (Chairman); S. J. Chagnon, Quebec Swine Breeders; J. D. Brien, Eastern Canada Live Stock Union; C. M. Learmonth, Western Canada Live Stock Union; F. J. Collyer, Canadian Council of Agriculture; S. E. Todd, industrial and development council of Canadian Meat Packers, Toronto, Ont.; L. C. McOuat (Secretary).

In attendance—F. M. Baker, Winnipeg, Man., industrial and development council of Canadian Meat Packers (western representative); S. G. Freeborn, district swine grader, Calgary, and Leslie Hancock, district swine grader, Winnipeg, Man. were present by invitation for consultative purposes.

Meetings held December 3rd and 4th, 1928, at Ottawa. The members present were: A. A. McMillan (Chairman); S. J. Chagnon, Quebec Swine Breeders;J. D. Brien, Eastern Canada Live Stock Union; C. M. Learmonth, Western Canada Live Stock Union; S. E. Todd, industrial and development council of Canadian Meat Packers, Toronto, Ont., F. M. Baker, Winnipeg, Man., A. B. Claypool, representing Canadian Cooperative Live Stock Producers Ltd., Edmonton; L. C. McOuat (Secretary).

4. The expenses of members while in attendance at meetings of the Joint Swine Committee were paid by the associations or organizations which they represented.

5. As expenses were not paid by the department, we have no information on this question.

NEW GLASGOW PUBLIC BUILDING

Mr. CANTLEY:

1. Have plans been prepared by the Public Works department for the extension or improvements of the New Glasgow public building, looking to the enlargement of or improvement of the post office space? If so, at what date?
2. How many square feet of floor space unoccupied by sorting tables, desks, racks, etc., are available for the office staff?
3. How many letter boxes are fitted in said office?
4. What number are paid for?
5. What revenue was collected from the rent of said post office boxes during the calendar year 1928?
6. How many mails are received and despatched by rail daily from the said post office?
7. How many sub office mails are received, sorted and despatched or otherwise dealt with by the New Glasgow office?
8. What was the total volume or number of bags of postal matter handled inward, also outward, by the New Glasgow post office during the month of December, 1928?

Mr. RINFRET:

1. Tentative sketch plans for an addition were prepared in 1926.

2. Figures not available, but will be obtained.

3. 1,184.

4. 1,118.

5. $2,345.95.

6. Seven received and 6 dispatched.

7. 2 semi-daily, 14 daily, 11 tri-weekly and 2 once a week.

8. 7,000.

FORT WILLIAM AND PORT ARTHUR ELEVATORS

Mr. DONNELLY:

1. How many bushels of wheat were received in the private terminals at Fort William and Port Arthur, Ontario, for the year 1928, of (a) No. 1 northern wheat, (b) No. 2 northern wheat, (c) No. 3 northern wheat, (d) No. 4 wheat, (e) No. 5 wheat, (f) No. 6 wheat, and (g) feed wheat?

2. How many bushels of wheat were shipped out of the said private terminals for the year 1928, of (a) No. 1 northern wheat, (b) No. 2 northern wheat, (c) No. 3 northern wheat, (d) No. 4 wheat, (e) No. 5 wheat, (f) No. 6 wheat, and (g) feed wheat?

Mr. MALCOLM:

1. Receipts at private elevators, Fort William-Port Arthur, of wheat graded 1 northern to feed, crop year 1927-28.

	Bushels
1 northern	2,312,806
2 northern	16,890,291
3 northern	48,055,590
Number 4	24,847,822
Number 5	8,520,410
Number 6	3,194,096
Feed	1,152,627

2. Shipments from private elevators, Fort William-Port Arthur, of wheat graded 1 northern to feed, crop year 1927-28.

	Bushels
1 northern	3,506,611
2 northern	25,029,250
3 northern	79,218,383
Number 4	33,498,038
Number 5	8,292,604
Number 6	3,441,596
Feed	880,415

KOTA WHEAT

Mr. DONNELLY:

1. How many bushels of kota wheat were received in the private terminals at Fort William and Port Arthur, Ontario, for the year 1928?

2. How many bushels of kota wheat were shipped as kota wheat out of the said private terminals for the said year 1928?

Mr. MALCOLM:

1. Receipts of kota wheat at private elevators, Fort William-Port Arthur, crop year 1927-28.

	Bushels
1 C. W. kota	1,085
2 C. W. kota	8,657
3 C. W. kota	17,232
4 C. W. kota	2,775
Others	54,286

2. Shipments of kota wheat from private elevators, Fort William-Port Arthur, crop year 1927-28.

	Bushels
3 C. W. kota	2,781
Others	27,591

IMPERIAL CONFERENCE, 1926

Mr. WOODSWORTH:

1. When will the Canadian members be appointed to consider the problems raised by the imperial conference of 1926?

2. Will this committee be purely political and departmental, or will it contain outside experts on the constitutional law of the British Empire?

Mr. MACKENZIE KING:

1. The question of the most appropriate time for the meeting of the expert committee and sub-conference to be appointed in accordance with the proposals of the imperial conference of 1926, has been the subject of communications between the governments concerned, but no definite arrangement has yet been made.

2. No decision has been taken as to the composition of the committee.

QUESTION PASSED AS ORDER FOR RETURN

AUSTRALIAN TRADE AGREEMENT

Mr. EDWARDS (Frontenac-Addington):

1. What was the date upon which the trade agreement now in effect between Canada and Australia was passed by the parliament of Canada and when did it go into operation?

2. What was the date of the dissolution of parliament in 1925, and the date of the general election that year?

3. Was an order in council passed on the recommendation of the minister of finance in the year 1925, reducing the duty on butter imported into Canada from New Zealand from three cents to one cent per pound, and on what date was such order in council passed, and when did it go into operation?

4. Was the order in council referred to in previous question ever brought before parliament for its sanction? If so, when?

5. What consideration did Canada receive from New Zealand for Canadian agricultural

products in return for the preference granted to New Zealand butter and other agricultural products in the Canadian market?

6. What was the value of the exports from Canada to New Zealand of, (a) agricultural products; (b) all other products, in each of the calendar years 1925 to 1928, inclusive?

7. What was the value of imports from New Zealand to Canada of, (a) agricultural products; (b) all other products, in each of the calendar years 1925 to 1928, inclusive?

8. What quantities and values of butter were imported into Canada from New Zealand in each of the calendar years 1925 to 1928, inclusive, and what were the quantities and value of butter exported from Canada to New Zealand in the same years?

9. What is the Canadian duty against New Zealand butter, and what is the New Zealand duty against Canadian butter?

10. What quantities and values of the following commodities were exported from Canada in each of the calendar years 1925 to 1928, inclusive, and what was the increase or decrease each year, pork, bacon and hams, lard, cheese, butter, milk and cream, milk condensed or evaporated or as milk powder?

11. What quantities and values of the following commodities were imported into Canada during each of the calendar years 1925 to 1928, inclusive, and what was the increase or decrease in each year, pork, bacon and hams, lard, cheese, butter, milk and cream, milk condensed or evaporated or as milk powder?

UNOPPOSED MOTION FOR PAPERS

IMPERIAL CABLE MERGER

On the motion of Mr. Heaps:

For a copy of all letters, cables, correspondence and other documents or agreements, entered into by the Canadian government in connection with the imperial cable merger of 1928.

Mr. VENIOT: On Monday when this matter came up I asked the hon. member to let it stand, for certain reasons which I presented to the house. I have no objection to the motion passing now, and I will undertake to produce the papers just as soon as it is possible to do so.

Motion agreed to.

NATURAL RESOURCES

PROPOSAL THAT DISPOSITION BE EFFECTIVE ONLY ON APPROVAL OF PARLIAMENT

The house resumed from Monday, February 25, consideration of the motion of Mr. Woodsworth:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

Right Hon. W. L. MACKENZIE KING (Prime Minister): When the house adjourned on Monday evening last, the leader of the opposition (Mr. Bennett) had just concluded speaking in reference to this motion. Listening to my hon. friend I gathered that what he was most anxious to ascertain was the reason for haste in the transfer of certain natural resources, in particular the natural resources of Manitoba. Hon. members will recall that over and over again the leader of the opposition asked: "Why this haste? Why the haste in transferring these resources?" I would ask hon. members to recall the speech made by the leader of the opposition (Mr. Bennett) just two weeks earlier in the session when we were debating the address. My hon. friend was not asking then, "Why the haste?" He asked on that occasion over and over again, "Why the delay? Why the delay in the transfer of natural resources?" We had caused to be placed in the speech from the throne a reference to the desire of the government to transfer the resources of the western provinces, and indicating some progress that had been made; and when my hon. friend came to refer to that part of the speech, the whole tenor of his remarks was in the nature of a chastisement of the government for the long delay which had taken place in the transfer of the resources. May I answer his question as to "why the haste" by saying that "the haste was in order to avoid further delay." The whole reason of the haste was to avoid delay.

Let me briefly review the outstanding facts with respect to the transfer to the western provinces of their natural resources. I mentioned to my hon. friend at the time that primarily this government had not been responsible for the delay; as a matter of fact our efforts have all been in the direction of expediting the transfer with respect to all three of the western provinces. In 1911, as my hon. friend said on a previous occasion, when the Sifton government was in office in Alberta, Mr. Sifton made an appeal to Sir Wilfrid Laurier for the transfer to Alberta of its natural resources. The condition which Alberta proposed at the time was that the resources should be returned and that the province should also be permitted to retain the subsidy which had been given in lieu of resources when the province was created, and when it was decided that the Dominion government rather than the province should administer those resources. Sir Robert Borden's government succeeded that of Sir Wilfrid Laurier. Mr. Sifton was still in office in Alberta and he repeated the application for the transfer of the resources to Alberta in terms similar to those he had proposed to Sir Wilfrid

Laurier. Sir Robert Borden's government took the position that the resources could not be transferred and the subsidies continued.

The war came on, and the question of the transfer of the resources stood in abeyance for the time being, but when the Union government was in office an application was made not alone by the premier of Alberta but by the premiers of the three western provinces to the Union government for the immediate transfer of the resources. They were given to understand that the resources might be transferred but that if this were done the subsidy which had been given in lieu of the resources would have to be discontinued. They were not satisfied with that reply and the matter dropped so far as the Union government was concerned. Then the Hon. Arthur Meighen formed an administration, and while Mr. Meighen was in office the three western provinces were represented at a conference with the Dominion government, at which conference the request was made that the resources be transferred. The representatives were told by Mr. Meighen that they could have the resources back provided they were willing to forego the subsidies being paid them in lieu of the resources. Mr. Meighen said that would be the quickest way to solve the matter, but that was not satisfactory and the western provinces refused to make an agreement with the Dominion government.

We can hardly be held responsible for the delay which took place from 1911 to 1921, but for what has since transpired we are to some degree responsible. However, that responsibility is not all ours; it takes two to make a bargain, and if the resources have not been transferred to the western provinces thus far it has not been because of our unwillingness to go as far as our predecessors went, or indeed because of our unwillingness to go a great deal further, but because of the unwillingness of the western provinces up to the present to accept the resources even on what we consider the very generous terms we have offered them. The present administration came into office in December, 1921; in 1922, our first year in office, we received a deputation of the western premiers and discussed with them the question of the transfer of the resources to the western provinces. We were unable to reach any definite agreement as to terms, but we did get along a certain distance with respect to a basis for further negotiations. When the deputation left Ottawa an announcement was made in this house that we had agreed with the western provinces that the transfer should be made on a basis which would put the western provinces in a position of equality with the other provinces of the Dominion. The announcement also was made that the provinces themselves felt that no good purpose would be served by all three seeking to deal with the government at the one time but that it would be better for each province to negotiate separately with the administration, and separate negotiations then started with the three provinces.

I might give to the house a very brief outline of the negotiations with all three provinces, and in that connection I would like the house particularly to notice how the negotiations have proceeded with respect to Alberta as compared to the progress made with either Manitoba or Saskatchewan, because the leader of the opposition (Mr. Bennett) seemed to imply that Alberta had not been treated just as fairly and generously as Manitoba or Saskatchewan; he contended that there was no reason why Alberta should be third in the race, so to speak, and should not get treatment equal to that given Manitoba and Saskatchewan. A review of the situation will show I believe that as far as Alberta is concerned we have gone much further than we have gone with either Manitoba or Saskatchewan and that negotiations as to the transfer of the resources are much nearer completion with respect to that province than with the others, though of necessity the final word rests with the province of Alberta itself.

Now may I come back to Manitoba, and here again draw particular attention to the question of the leader of the opposition, "Why the haste?" The leader of the opposition sought to have it appear, as I gathered from his remarks, that there was some sinister reason which accounts for the fact that in the month of July last a basis of transfer was effected and an agreement arrived at with the province of Manitoba. In other words, his remarks were calculated to cause hon. members to ask why this basis was not reached in September, in November, in December or during this year instead of July of last year. That is the question I wish to answer, and I hope to make the answer quite clear by quoting to members of the house some of the correspondence which passed between the government of Manitoba and this government in arranging for that particular conference. I will not go back to 1922 and discuss what took place during 1922, 1923, 1924 and 1925, but I will give the house as the first communcation a letter from Premier Bracken of Manitoba under date of January 13, 1927. In listening to this letter I wish hon. members to seek to put themselves in the position of this administration in dealing with another

government. This letter emphasizes the delays which have ocurred and urges that with as little delay as possible a conference be arranged. Note again the date of the letter, January 13, 1927. The letter is addressed to myself as Prime Minister and to the ministers of the federal government, and proceeds:

Mr. Premier and Gentlemen:

After more than four years of negotiations upon the basis of the agreement of April 21, 1922, between the governments of the Dominion and the province of Manitoba, we have reached very reluctantly the conclusion that the attempt to settle the natural resources question by mutual consent has broken down.

There have been two conferences, five or six less formal interviews, and almost continuous correspondence during the past three years.

Not only have all negotiations for a final settlement broken down, but the proposal of Manitoba to adjust at once less controversial details like the school lands and the school lands fund has proved unacceptable to the Dominion. In his letter of January 29, 1924, the Premier of Canada took the position that all negotiations

"have contemplated that the whole question should be dealt with as one, and disposed of either by mutual consent or by arbitration, as provided in the agreement made between the Dominion and the province on the 21st day of April, 1922."

In a subsequent letter, dated February 9, 1924, the Premier of Canada added that there were "limits beyond which, with the best will in the world, we cannot go and hope to obtain parliamentary approval of our proposals. . . . If no agreement can be reached, we must, I suppose, resort to arbitration."

In this conclusion the province of Manitoba is now prepared to acquiesce.

We take this opportunity also of stating frankly that the terms which have been made with the province of Alberta are not, and in our opinion never can be acceptable to the province of Manitoba, since Manitoba came into confederation in 1870, thirty-five years before the province of Alberta was created, and also because the agreement of April 21, 1922, was made exclusively with the province of Manitoba.

On behalf of this province therefore we beg to state that we are prepared to remit this whole question for arbitration to some tribunal to be mutually agreed upon. We would suggest that probably the most acceptable tribunal that could be agreed upon would be the Judicial Committee of His Majesty's Privy Council, if that could be arranged.

Will you kindly advise whether your government is prepared to proceed with the settlement of this question as above suggested.

Yours very truly,

John Bracken.

I replied to that letter on February 19, 1927, as follows:

Hon. John Bracken,
Premier of Manitoba,
Winnipeg, Manitoba.

Dear Mr. Premier:

I regret that it has not been possible to make an earlier reply to your letter of January 13th on the natural resources question, which you suggest should be referred to arbitration, possibly before the judicial committee of the privy council.

Some consideration has been given to the question in council by my colleagues and myself, but we have not yet been able, in view of the pressure of preparing for and carrying on the session, to give it the full and detailed attention its importance warrants. I should therefore greatly appreciate it if the matter could stand over until the end of the present session, which will not in all probability be a long one. We shall endeavour then to come as speedily as possible to an agreement with your Government as to the best means of dealing with the matters still at issue.

Yours sincerely,

W. L. Mackenzie King.

That was the year in which we celebrated the diamond jubilee of confederation, and the conference between the provinces and the Dominion was held during the same year. These two events, I think, helped to account for the circumstance that the matter of a conference with Manitoba was not carried out. There was the additional fact that Manitoba was holding an election that year, and no doubt it was not a convenient time at which to negotiate an agreement.

Then we come down to 1928, and the following communication was received from the Premier of Manitoba on January 10 of that year:

The Rt. Hon. W. L. Mackenzie King,
Premier of Canada,
Ottawa, Ont.

Dear Mr. King,

May I again draw your attention to my letter of January 13 of last year, and to the series of letters and telegrams—from myself on December 31, 1926, January 13, February 28, and April 19, 1927, and your replies of January 1, February 19 and April 21, 1927—with regard to the arbitration of the question of Manitoba's natural resources in accordance with the agreement of April 21, 1922. May I also remind you of Mr. Craig's interview with you in May last, and my own in November when we reiterated the request of the Manitoba government for the arbitration of this question without further delay.

It was conceded nearly a year ago, after two formal conferences, five or six informal interviews, and almost continuous correspondence, that the attempt to reach a settlement by mutual consent had broken down. The proposal of Manitoba to settle less controversial details like school lands and the school lands fund also proved unacceptable. Your government (January 29, 1924) took the view that all negotiations "have contemplated that the whole question should be dealt with as one, and disposed of either by mutual consent, or by arbitration, as provided in the agreement made between the Dominion and the province on the 21st day of April, 1922."

A few days later (February 9, 1924) you pointed out on behalf of your government that there were "limits beyond which, with the best will in the world, we cannot go and hope to

obtain parliamentary approval of our proposals. . . . . If no agreement can be reached we must, I suppose, resort to arbitration."

Since that time a long and exhaustive series of claims has been drawn up by the maritime provinces. The Duncan commission was appointed to deal with these claims. A report was submitted, and the government has implemented that report in the most prompt and generous manner. The province of Manitoba, meanwhile, has been urging, not special bonuses and subsidies and freight rates, such as the Dominion has granted to the maritime provinces, but merely the arbitration of our case under an agreement made nearly six years ago.

You will recollect also the very friendly attitude adopted at the dominion-provincial conference in November last by the premiers of Quebec, Ontario and the maritime provinces towards the return of our natural resources. With the other provinces so favourably disposed and the whole dominion responsive to the spirit of the 60th anniversary of confederation, the time is singularly opportune for the settlement of this question by arbitration, as provided in the agreement of April 21, 1922. We cannot conceive any valid objection that can be taken to so fair and just a proposal at this time.

I am writing now to request of your government an early decision with regard to our proposal of January 13 of last year in order that we may make the necessary arrangements without further delay.

Yours very truly,
John Bracken.

I replied to that letter on February 28, 1928, as follows:

The Honourable John Bracken,
Premier of Manitoba,
Winnipeg, Manitoba.

Dear Mr. Bracken,

Since the receipt of your communication of the 10th of January I have had an opportunity to enter very fully with my colleagues into the representations of your letter regarding a final settlement of the natural resources question with the province of Manitoba. Let me say at once that we agree most cordially with you that the recent Dominion-provincial conference has created an atmosphere much more favourable to a satisfactory solution of the outstanding questions between us, and also that in view of the diamond jubilee celebrations of the past year the present moment would be a most opportune time to remove the entire question from the field of controversy.

My colleagues and I share your regret that it has not yet been found possible to reach an agreement by conference. I now write to say that we have in no way altered our opinion that in the absence of a settlement by direct negotiation, the questions at issue between us should be referred to arbitration. In arranging for arbitration, however, we can see some objection to sending the question to the privy council. It would, therefore, be well that we should reach an agreement both with respect to the terms of reference for the arbitration and the tribunal to which the matter is to be referred. These arrangements may be made by a conference with yourself or with any of your colleagues at such time as may be mutually convenient.

While agreeing to the principle of arbitration, we are still inclined to believe that the additional delay incident to arbitration might be avoided by further negotiations with a view to reaching a settlement by conference, and with this in mind we would suggest that one further attempt be made to settle the matter by this means, failing which we should reach a definite agreement as to the tribunal of arbitration and the terms of reference.

Yours sincerely,
W. L. Mackenzie King.

On March 5, 1928, I received the following letter from Mr. Bracken:

The Right Honourable
W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa, Ont.

Dear Mr. King,

I beg to acknowledge receipt of your favour of the 28th ultimo, with further reference to the matter of the settlement of the natural resources question. I note that it is your view that the present is an opportune time to endeavour again to conclude some arrangement by which this question can be settled satisfactorily; but that you do not favour submitting the matter to the privy council, as suggested by us, preferring to attempt once again to settle the matter by conference, failing which, as you say, a definite agreement as to the tribunal and terms of reference can be decided.

The government of Manitoba is anxious to have this matter proceeded with at the earliest opportunity. Would you kindly advise, therefore, when you could arrange to meet representatives of the provincial government.

In concluding, permit me to express the gratification of the government at being assured of your desire to have this vexed question settled without any unnecessary delay, at this particular time in the history of the Dominion.

Yours very truly,
John Bracken.

On March 17 I replied to that communication as follows:

Dear Mr. Bracken: I have received your letter of March 5, with further reference to the settlement of the natural resources question, and I note that the government of Manitoba desires to have the proposed conference proceeded with at the earliest opportunity. As the questions to be considered will demand considerable discussion and investigation, it would seem advisable that we should select a date when the representatives attending the conference would be free to devote their whole attention to the matters under discussion. In the circumstances, I would suggest that the conference should be held imediately following the close of the present parliamentary session.

Yours sincerely,
W. L. Mackenzie King.

On March 26 I received the following communication from the Attorney General of Manitoba:

Province of Manitoba.
Attorney General, Winnipeg.

Dear Mr. King,

I have your letter of the seventeenth instant addressed to the Hon. Mr. Bracken with reference to the settlement of the natural re-

sources question. Mr. Bracken is at present on a short vacation necessitated by the state of his health and has requested me to act for him in this matter during his absence.

I agree with you that it is advisable to select a date when the representatives would be free to devote their whole attention to the matter under discussion. I accordingly accept the suggestion that the conference be held immediately following the close of the present parliamentary session. I shall confer with our representatives with a view to selecting tentative dates which will be submitted to you in due course.

Yours sincerely,

W. J. Major,
Attorney General.

On March 30 my secretary, Mr. Baldwin, sent an acknowledgement of this letter to Mr. Major. On April 2 Mr. Major makes further reference to his former letter as follows:

Dear Mr. King,

I have now had an opportunity of consulting with the Manitoba representatives in regard to the conference on natural resources, to be held at the close of the present parliamentary session.

In the event of the session closing by May 24, I would suggest that the conference be held between the twentieth of May and June 10. Any day you may appoint within this period will be convenient to us.

Faithfully yours,
W. J. Major.

I replied on April 26, concluding the letter, after acknowledging Mr. Major's communication, with this paragraph:

I may say in reply to this suggestion—

That is the one I have just read.

—that it is impossible to predict at this time just what the date of prorogation will be. We shall, however, do our utmost to meet your wishes and hope that it may be possible to hold the proposed conference during the first week in June, the exact date to be arranged later.

On June 6, 1928, I received the following telegram from Mr. Bracken:

In view of possible prorogation this week can you name date for conference on natural resources question.

John Bracken.

I replied on June 16 as follows to Mr. Bracken:

Re natural resources. If Wednesday, June 27 will be convenient to yourself and colleagues, I shall be pleased to arrange conference with our government beginning that day at Ottawa, eleven a.m. my office.

Mackenzie King.

On June 18, Mr. Bracken replied:

Replying your message sixteenth which arrived during my absence from city, regret impossible to arrange attendance at natural resources conference before first week in July owing to absence of ministers in meantime.

I replied on June 19:

Replying to your night lettergram of the eighteenth please mention earliest date in July for conference. Will seek to suit your convenience.

On June 19 Mr. Bracken wired:

Wire to-day's date received. Can meet you re natural resources any time during first week of July or later date.

John Bracken.

My secretary replied:

Mr. King out of town. I now learn that western ministers have made plans to be in west after first July. Could you possibly reconsider suggestion that you come to Ottawa during week of twenty-fifth June.

Harry Baldwin.
Secretary to Prime Minister.

On June 20, 1928, Mr. Bracken sent the following communication to Mr. Baldwin:

Harry Baldwin,
Secretary to Prime Minister,
Ottawa, Ontario.

Wire yesterday's date received. Suggestion contained therein could have been acceded to a week ago but since then Attorney General who has charge of natural resources case has gone to northern Manitoba mining area and will not be back till end of month. Am endeavouring to reach him by wire but am not hopeful of doing so. Could conference not be held here if western ministers are to be here during first week of July? Kindly advise. If there is any prospect of getting Mr. Major back before latter part of next week will wire later but think this impossible.

John Bracken.

Mr. Baldwin replied to this on June 21, as follows:

Regret it is impossible to accede to your suggestion in yesterday's telegram since Prime Minister cannot leave Ottawa. If week of twenty-fifth impossible for you and Mr. Major suggest second, third or fourth of July.

Harry Baldwin,
Secretary.

Mr. Bracken sent the following wire on June 21:

As Mr. Major not expected back until late next week suggest July 4 for natural resources conference.

Then Mr. Bracken sent this wire June 23 to Mr. Baldwin:

Have assumed July 4 decided upon for conference. Kindly advise if correct.

Mr. Baldwin wired back to Mr. Bracken:

Replying to your wire of to-day mister Stewart asks me to say that if you can be in Ottawa on morning of the third instead of fourth he will meet you here instead of at Toronto.

Then there was this communication from Mr. Bracken on June 24:

Harry Baldwin,
Premier's Office,
Ottawa, Ontario.

Wire yester's date received. Will be glad to meet Mr. Stewart on morning of the third at Ottawa. Am I to understand you desire natural resources conference that day as well. This can be arranged if it will better suit convenience of premier and federal ministers.

On June 25 I sent the folowing communication.

Hon. John Bracken,
Premier of Manitoba,
Winnipeg.

This will confirm arrangements made with you during my absence from town by my secretary and Mr. Stewart. Shall be glad to meet you in Ottawa on morning of Tuesday, third of July.

W. L. Mackenzie King.

I hope that correspondence makes perfectly clear how it came about that the conference was held in Otawa on July 3, and I hope it answers the question of the leader of the opposition, "Why the haste?" There was no reason for the haste other than to avoid the delay of which Mr. Bracken had been complaining so long. As the correspondence shows, the government was sincerely desirous of getting the matter settled. We felt that the province had occasion to consider that there had been a delay and we were doing our utmost to meet its wishes for an early conference.

I might mention a further circumstance. Hon. members will know that after a long session of parliament running into the approach of summer most of the ministers do not remain in Ottawa; they go to different parts of the country. I was anxious to have this conference completed and over before the ministers began to disperse for the summer. As the correspondence shows, some of them had made engagements to be away in July, but they sacrificed their engagements in order to stay here to suit the convenience of Mr. Bracken and his colleagues. The Minister of the Interior (Mr. Stewart) had made engagements to be in the west. He stayed over for the first day of the conference, but in order to keep his engagements he was obliged to be away during the last two days.

The first day of the conference was taken up in reaching a basis upon which the resources could be transferred. We discussed the question of an appeal to the privy council, we gave our reasons for thinking that was scarcely an expeditious way of proceeding with the matter, and again asked the question whether it was not possible for us to agree upon some method and basis of settlement which would bring this large transaction to a finality. An agreement was reached as a result of the attitude of the conference and the announcement of the agreement was made in the press some time in the month of July. I do not recall the exact date on which the announcement was made.

When the conference concluded at Ottawa, there remained the question of securing the consent of certain gentlemen to act as commissioners to go into the questions which would have to be investigated. Perhaps I should pause here to say a word about the exact nature of the settlement which we made. The choice, as will be clear from what I said earlier in my remarks, had been from the outset between an agreement arrived at by conference and an agreement arrived at by arbitration. From the beginning, whenever arbitration was spoken of, it was perfectly plain that once an endeavour was made to ascertain the total receipts of the Department of the Interior in connection with the administration of western lands, the total expenditures made in carrying out that trust on behalf of the western provinces, what particular transactions were to be taken account of, and the like—it was quite plain, I say, in the first place, that the government would find it very difficult to state exactly what should be referred to arbitration, and, in the second place, extremely difficult for the arbitrators to go through the endless accounting that would be necessary to arrive at an exact finding. Something of an alternative character had to be suggested, and the proposal was evolved in the course of the discussion that if three representative citizens of Canada, in whom the Dominion government as well as the government of Manitoba had confidence, could be found who could be persuaded to go into this matter intelligently and thoroughly, visiting the Department of the Interior and reviewing the situation there, deciding upon what matters should be excluded from their inquiry and what matters should be left to an accounting or settlement in some other way, they might be able to make to the two governments a recommendation which would appeal to the general good sense and fairness of both parties. That idea appealed to the Manitoba government and to our government, and we decided to work out our agreement on that understanding.

A question that was of special importance was the basis on which this commission would proceed. Were they to proceed on the basis that Manitoba should be put in the position in which she would have been had she had her resources when she came into confederation in 1870, or on some other basis? We concluded that the just and right and the fair

basis was the one I have indicated. I am pleased to say that the hon. leader of the opposition, speaking on the address, congratulated, perhaps I use too strong a word; at any rate he commended the government on having accepted that as a basis in dealing with Manitoba. So we have been fortunate to this extent at least, that the basis we laid down is one which appeals to both sides of this house, and I take it that hon. gentlemen in the far end of the house also feel that in that particular we have been fortunate enough to arrive at a basis of settlement which appeals also to them.

Here is the announcement that was given to the press as a result of the conference after we had agreed upon the gentlemen whom we would ask to act as members of the commission. The three gentlemen were the Hon. Mr. Turgeon, the Hon. Mr. Crerar, and Mr. Charles Bowman. Mr. Turgeon was in Europe at the time, and I had to cable him and ask if he would accept the position of chairman of the commission. Mr. Crerar was somewhere in Manitoba, and Mr. Bowman was in Kitchener. Until we were in a position to communicate with all three, it was not possible to give out an announcement to the public as to what had been agreed upon. This is the announcement which was given out:

Following a conference held at Ottawa on July 3rd and 4th, 1928, between representatives of the government of Canada and of the government of Manitoba, the results of which conference have since been approved by the two governments, agreement was reached as to the method and basis of settlement of the question of the administration and control of the natural resources of Manitoba, as follows:—

1. The province of Manitoba to be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources, as from its entrance into confederation in 1870.

2. The government of Canada, with the concurrence of the government of Manitoba, to appoint a commission of three persons to inquire and report as to what financial readjustments should be made to effect this end.

3. The commission to be empowered to decide what financial or other considerations are relevant to its inquiry.

4. The findings of the commission to be submitted to the parliament of Canada and to the legislature of Manitoba.

5. Upon agreement on the financial terms following consideration of the report of the commission, the respective governments to introduce the necessary legislation to give effect to the financial terms as agreed upon, and to effect the transfer to the province of the unalienated natural resources within its boundaries, subject to any trust existing in respect thereof, and without prejudice to any interest other than that of the crown in the same.

6. Pending this transfer, the policy of the government of Canada in the administration of the natural resources of Manitoba to be in accord with the wishes of the government of the province.

The supplementary announcement read as follows:

The government of Canada and the government of Manitoba have jointly agreed upon the following persons as members to comprise the commission with respect to the transfer of the natural resources of Manitoba:

Hon. W. F. A. Turgeon,
Court of Appeal,
Saskatchewan.

Hon. T. A. Crerar,
Winnipeg,
Manitoba.

Charles M. Bowman, Esq.,
Director,
The Mutual Life Assurance
Company of Canada,
Kitchener, Ontario.

These gentlemen will be apprised immediately of the agreement upon their names as members of the commission and will be invited forthwith to accept appointment.

With respect to the terms of agreement, I have yet to hear criticism in any particular except one. Some hon. members in the course of the debate seemed to take exception to the last clause, or at least to some phase of it—I do not know whether I am interpreting them correctly—which reads as follows:

Pending this transfer, the policy of the government of Canada in the administration of the natural resources of Manitoba to be in accord with the wishes of the government of the province.

Let us forget for a moment the province of Manitoba, and let us think of the province of Saskatchewan or Alberta, or as we are a little further along in the way of a final agreement with Alberta, let us take the province of Saskatchewan. Let us assume that we are negotiating an agreement with Saskatchewan, and that to-morrow we reach an agreement that the resources are to be transferred, but it is apparent that it will take some little time—or that it may take years, as my colleague remarks—before the actual administration of those resources can be assumed by the province of Saskatchewan, and that the province of Saskatchewan as a consequence says to us: "This agreement is exactly what we hoped we might be able to reach, but now that you have agreed to the principle that the resources are ours and have agreed to turn them over, that you are holding the resources only as trustee for us, as we have reached an agreement as to the basis on which that transfer is to be made is it unreasonable for us to ask that pending the final transfer you will administer those resources in accordance with the wishes of our government?" I venture to say that as-

suming that proposal were made to-morrow by Saskatchewan, after we had reached an agreement with the province in regard to the transfer of the resources and decided upon the method and basis of that return, if this government refused to agree to that proposal, we would be strongly condemned by hon. gentlemen opposite for having declined to take a step which was fair to the province of Saskatchewan in the circumstances, and for adopting a course which might prejudice the whole situation.

Mr. WOODSWORTH: Is the Prime Minister not forgetting the solemn assurance given by a responsible member of the government in that regard?

Mr. MACKENZIE KING: No, I am not forgetting it; I am going to speak of that in a moment. But what I am now putting before the house is the position of the government when we were negotiating with Manitoba. When this whole subject was under discussion, when these terms were being arranged, the province of Manitoba made the request of us that pending the actual transfer of these resources the Dominion government should administer them in accordance with the wishes of the province. Some hon. members have sought to imply that in some way the Minister of the Interior was responsible for that particular clause going in. What their motive is I do not know, and cannot understand, but may I say that I have looked carefully over my notes of what took place at the conference, and I find that that last clause was not discussed in conference on the first day. It was put in on the second day, when the Minister of the Interior was absent from the city and had left for the west. The suggestion came from the Manitoba government, and it was accepted by our government as wholly reasonable.

Now, may I say this further. My hon. friend has spoken about some undertaking that the Minister of the Interior had given. Personally I had no recollection of that at the time of the negotiations. I suppose I ought to know everything that is said in the house. I am afraid I was not present at the time the matter to which my hon. friend has just referred was taken up. But had I known of it, I would not have permitted the whole question of the transfer of the natural resources under an agreement satisfactory to Manitoba and to ourselves to be held up just because of some undertaking on the part of the minister to discuss with certain members from the province a particular lease before that lease was granted.

May I say this to my hon. friend? The Minister of the Interior, as I gathered from his remarks yesterday, did carry out his promise; he did, before the transfer was made even under these terms, see or seek to see the members from Manitoba in regard to that particular lease.

Mr. WOODSWORTH: No.

Mr. MACKENZIE KING: Let my hon. friend wait a minute; he will have an opportunity later. What I want to make clear is this. When the Minister of the Interior gave the assurance, he of course did not and could not know that by conference we would be able to conclude an agreement which would afford a basis of satisfactorily solving a problem which has been facing us for twelve or sixteen years. He could have had no knowledge of that whatever. He gave his assurance in the light of conditions prevailing at the time the assurance was given. He had no knowledge when this agreement was reached that this last clause was in it, and as a matter of fact when he saw it, I think he felt the embarrassment that was his as a result of the clause appearing there before he had had a chance of explaining to hon. members that it was one of the essential terms of the agreement reached with respect to the transfer of the natural resources. That was the position of the minister in the matter. At once he endeavoured to see those who were concerned. He did see some, but he admits that he did not see my hon. friend, the reason being that the hon. gentleman was not in Manitoba at the time.

Mr. WOODSWORTH: Was any letter or wire sent or any other effort made to communicate with me?

Mr. MACKENZIE KING: I think there was. I know my hon. friend's object was a worthy one in every particular. But to enable the house to appreciate the position, my hon. friend will recall—indeed, he made mention of it—sending me a cable in regard to the matter while I was in Geneva attending a meeting of the League of Nations; that was a couple of months after this agreement had gone through. The terms of the agreement were public knowledge all this time. In the meantime the minister had sought to see the members from Manitoba and explained to them that while he had made a promise in the house not to let any lease go through until he had had a chance of conferring further with them, an agreement was now completed, and that one of the conditions imposed by the agreement was that the department over which he presided would have to carry out the wishes of the government of Manitoba which was the other party to this transaction.

Now, I ask hon. members what other basis would be fair and reasonable in dealings between governments. Was this government, in a momentous transaction of this character —dealing with the whole question as one, as we said not this year but from the beginning it must be dealt with—when we had reached an agreement, to impair the possibility of consummating the agreement by taking the position that we would not accede to some request that was perfectly reasonable, as far as I can see it, on the part of the government which we were placing in the position of owner of the resources? The resources are owned by the crown either in the right of the Dominion or of the provinces. What was happening here was not the parting with a possession of the crown without due protection. It was parting with resources that we interpreted as belonging to the province and putting the provincial authorities to all intents and purposes in full possession. Surely the government of a province has the right to administer its own resources. That is all we have done —transferred the resources to the provincial government. If we had not done that we would have been held responsible for our failure. And may I say this, if to-morrow—

Mr. WOODSWORTH: Pardon me. May I ask whether the Seven Sisters were definitely transferred to the Manitoba government?

Mr. MACKENZIE KING: May I say with regard to the Seven Sisters that I never heard mention of one of them in the whole transaction. In the course of the negotiations which took place at Ottawa the question of the Seven Sisters was never mentioned.

Mr. ADSHEAD: Perhaps they were referred to in the correspondence that I inquired about the other day.

Mr. MACKENZIE KING: Yes, my hon. friend has not forgotten his friend. I am speaking here in the presence of my colleagues, the Minister of Railways and Canals (Mr. Dunning) and others who were present at the conference, and I say to this house that in discussing the transfer of the resources the question of the Seven Sisters falls was never mentioned. We discussed the question of the transfer of the resources as a whole in a broad and large way. We were seeking to deal with it as government with government. We saw no reason to begin our negotiations, which were intended to create goodwill between the two governments, by at the the outset throwing distrust and suspicion upon the provincial government. What right had we to ask the Manitoba government to do what was in the interest of Manitoba?

Mr. WOODSWORTH: I was trying to get at the legal point, that the transfer of the natural resources was not made to the Manitoba government, as I understood him to say was done, but that subsequent to the agreement the Seven Sisters falls power site was simply leased to a corporation.

Mr. MACKENZIE KING: Well, there are legal technicalities—I am not a lawyer—but I think I can make plain to my hon. friend what is essential in regard to that particular phase of the transaction. All of the resources so far as this government was concerned were being transferred to the government of Manitoba. After we had settled the agreement on that basis the government of Manitoba said: We want a particular lease to be made to a particular company. The minister himself was the agent of the government of Canada in carrying out its obligation under the agreement to which we had become a party, and among other things we had agreed to see that the resources were administered in accordance with the wish of the Manitoba government. The provincial government asked that that particular lease of the Seven Sisters falls should go to a particular company. What did the minister seek to do? He sought to transfer that lease not to the company but to transfer it to the government of Manitoba, so that they would have to deal with the question themselves. Then what did he discover? My hon. friend asked the question yesterday, and the minister I noticed said that he was not in a position to state the reason. I think it was because in his case the limitation was the same as in my own, that neither of us is a lawyer. But I understand the fact to be this, that the Manitoba government could not grant that particular lease until the resources were actually transferred, and it had been given by statute the necessary powers to lease the properties which are now subject to lease only by the Dominion. The lawyers of the house will be able to give the reasons in correct form, but I remember asking the minister why he could not make this particular lease to the government of Manitoba, and let the government of Manitoba deal with the company direct. His law officers advised him that that could not be done. The only way in which the wishes of the government of Manitoba could be carried out was for the minister himself to take action under the statute governing the leasing of these proper-

ties and make the transfer as requested by the Manitoba government. But in order to be secure in the matter, in order that there should be no doubt about his position, he did not take merely the word of the premier or a letter from the government of Manitoba as to what their wishes were. The minister demanded that before he would carry out their wish in this particular, the government of Manitoba, the whole government, should pass a formal order in council and forward it to him. That order was produced here the other day and the necessary action was taken as a result of it, carrying out in good faith this particular agreement.

Mr. EDWARDS (Frontenac): The federal government acting in the capacity of trustee and not in the capacity of sovereign owner.

Mr. MACKENZIE KING: Acting in accordance with the wishes of the government of Manitoba under the agreement that had been made with that government—the agreement governing the transfer of the whole of the natural resources. Let me say this, so that we may have a parallel case—and I believe it is only by removing the minds of hon. members from the field of prejudice that we shall get the true perspective of these questions: If to-morrow we were to agree to transfer their resources to either Alberta or Saskatchewan on identical terms with those we have been discussing and either of those governments came and asked us to do a particular thing in accordance with their wishes, I say we should be in honour bound to do it; we should feel bound to carry out our honourable obligations. And I am informed by the Minister of Railways (Mr. Dunning), who has had considerable experience in the matter, that we have been so doing right along in relation to school lands. There has therefore been no deviation from practice, no change in any particular in this connection.

I hope I have cleared up the doubts, if not the suspicions in the minds of some hon. gentlemen on this question. I have endeavoured to give all the facts as they have come before the government, and I believe that anyone viewing them in a fair and reasonable light will agree that the government did what was obviously the right thing to do in the circumstances.

May I go a step further and refer to the other phase of the attack which the leader of the opposition made. Perhaps I should not say attack; it may have been only an insinuation to the effect that Alberta had not been treated as well as the other provinces. What is the situation with respect to the transfer of natural resources to Alberta? When in 1905 the province of Alberta was organized one of the conditions in the act was that the Dominion government instead of the province was to administer the resources the province was to receive a subsidy in lieu of lands; in other words, the province was to receive a certain annual payment in cash instead of its natural resources. That subsidy was to be as follows: until the population reached 400,000, the sum of $375,000 per annum; until the population reached 800,000, the sum of $562,500 per annum; until the population reached 1,200,000, the sum of $750,000 per annum; and thereafter the sum of $1,125,000 per annum.

I have mentioned that in 1911 the government of Sir Wilfrid Laurier was approached by Mr. Sifton and asked to transfer back to Alberta its lands and resources. But Mr. Sifton asked at the same time that Alberta should be allowed to keep the subsidies. That was refused. It was refused again, as I have already indicated, by Sir Robert Borden; it was refused by the Union government, refused by Mr. Meighen, and refused by the present administration when we came into office. However, we did not refuse to continue to negotiate with Alberta; we have not refused to do so from the moment we came into power. We have sought by repeated conferences to arrive at some agreement by direct negotiation. Alberta, like Manitoba, has always had the right to have back its lands, with an arbitration to decide what, if anything, is owing to the province as a result of the administration of lands by the Dominion government, and the resources alienated. That however, has never seemed satisfactory to the province. Premier Greenfield of Alberta had several conferences with this government, I shall not take up the time of the house in going over them. Suffice it to say that as a result of those conferences, at which he was accompanied by Mr. Brownlee, at the time, Attorney General, we were able to work out an agreement which avoided the necessity of any resort to arbitration. That is the point I wish to make clear. These provinces have always had the opportunity to get their resources immediately, provided they were willing to have them without the subsidies being continued on the undertaking that the question as to the amounts, if any, owing to them for resources alienated would be settled by arbitration or by an accounting. We have always recognized that the matter of accounting was a difficult thing, that in all probability it would extend over years, and that then possibly no one would be satisfied

with the outcome. Consequently we have tried to find some basis of settlement by mutual consent, and we succeeded finally in 1926 in securing not only a basis of settlement but terms of settlement with Alberta. We have never succeeded that far with Manitoba. The settlement with Alberta was embodied in an agreement presented to this house and dated January 9, 1926. Subsequently a bill was introduced into this parliament and into the legislature of Alberta, in which the terms of the agreement were incorporated; the bill was based upon the agreement. That is the extent to which we got along with Alberta as long ago as 1926.

I need not go into the reasons why these particular bills were not proceeded with; the reasons are known to hon. members of the house. In one particular there was a difference of view which was fully explained, but at any rate sufficient to account for a further delay. As a means of settling the difference, a certain constitutional question was referred to the supreme court, and delay was occasioned in consequence. The settlement which was reached in 1926, and which was acceptable to the government of Alberta at that time, was that Alberta should have the natural resources and that this government should allow Alberta the equivalent of three years' subsidy as a cash payment to help the province over the period which it was considered would be required to organize the department to administer the resources. There was to be no continuation of the subsidy, but simply a cash payment equivalent to three years' subsidy.

As I recollect the negotiations, the reason they extended over two or three years was first of all that Alberta wanted to obtain a continuation of the then existing subsidy for all time. When we would not agree to that, Alberta came down to ten years, and then to five years, and then finally to three, three years having been roughly worked out as the result of some estimates we had had prepared by the departments. In 1926, as I have said, Alberta, by a bill introduced in its own house, declared its preparedness to accept the resources on the basis of a grant the equivalent of the three years' subsidy, and without further accounting. In 1927 we had the Dominion-provincial conference. At that conference it became apparent to the federal ministers that the other provinces were prepared to take a more generous attitude in dealing with the western provinces. We had during the interval been dealing with the maritime provinces, and that had had its effect. So when Mr. Brownlee came back last year and asked us if we would resume the whole discussion in the light of what had taken place at the Dominion-provincial conference, in order to see if we could not reach a fresh agreement, which would avoid delays and further submissions to the court; we agreed so to do, and after discussing the matter a day or two made what we believed to be a generous offer to Alberta. We offered Alberta the resources and also a continuation of the present subsidy—not the subsidy increasing year by year as her population increases but the present amount of $562,000 yearly.

Mr. ADSHEAD: For all time?

Mr. MACKENZIE KING: Yes, for all time. That is the offer before Alberta at the present time. My hon. friend asks why we do not settle with Alberta. The reason is that Alberta will not accept that offer, or has not up to the present time signified her intention of so doing. Are we to be blamed for that and held responsible for the delay? We have gone very far with Alberta, and if there is any delay it is entirely due to the fact that this offer, which I venture to say this parliament will regard as generous, with no strings attached to it, has not been accepted by the province. We are not blaming any one; it is entirely for Alberta to say whether or not she wishes to accept the offer.

Mr. RYCKMAN: When was the offer made?

Mr. MACKENZIE KING: I think in December of last year. The conference took place on December 13 and 14, 1928, and my recollection is that the offer was formerly submitted to Alberta in writing in a communication from myself before the end of the year.

That is the position with regard to Alberta, and now I come to Saskatchewan. The leader of the opposition referred to some statement from the Premier of Saskatchewan, and said he could not see why Alberta should not be treated as fairly as Saskatchewan. I do not know what statement he read but I can tell the house what we offered Saskatchewan: We offered that province exactly what we offered Alberta. We offered to settle with Saskatchewan on the basis of its present subsidy and the transfer of the lands, without any strings attached to the offer one way or the other. Saskatchewan has told us definitely that she will not accept that offer, so that is the position with regard to that province. Are we to be held responsible for not having transferred the resources to Saskatchewan? Hon. gentlemen

say we can make a settlement; yes, we can make a settlement if we are prepared to go just as far as these provinces wish us to go, but we must consider how far this parliament, representative of all the provinces of the Dominion, is prepared to sanction an action of the executive in this matter.

Mr. McQUARRIE: Before the Prime Minister takes his seat will he care to make any statement with regard to British Columbia?

Mr. MACKENZIE KING: Yes, I shall be happy to do so. Last year we agreed to transfer to British Columbia certain lands of the Peace River block and the railway belt. That offer was made to the last administration in the province of British Columbia, and the new administration had been in office only a few weeks when our friend, the former member in this house for Victoria but now the premier of British Columbia, Mr. Tolmie, came to Ottawa and asked if we were prepared to deal with him as generously as we had dealt with the previous administration. We told him our position in relation to him was exactly what it had been to his predecessors, and on leaving the city he gave out an interview in which he said that his conference with the Dominion had been wholly satisfactory. At present the officers of the departments concerned are working on the accounting and other details incident to the transfer.

Mr. McQUARRIE: May I ask what was the offer to British Columbia?

Mr. MACKENZIE KING: We offered to transfer certain of these lands on considerations which the commissioner appointed to look into the matter said should be taken into account. British Columbia has not a legal claim, but the commissioner stated that the province had a certain claim in equity, and we are trying to work out an equitable settlement. That is the present position.

I do not wish to take my seat for just a moment, Mr. Speaker, because up to the present the discussion on the resolution has seemed to centre solely on the transfer of these resources and in particular the resources of Manitoba rather than on the resolution itself. May I say a word upon the resolution in order to see how far it would be wise for this house to consider adopting it. The resolution reads:

> That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

That resolution is not restricted to any particular resources; there is no difference in principle between the transfer of a western homestead and the transfer of the whole resources of a province; the two transfers in principle are exactly the same. There is no difference in principle between the position of the Dominion government in disposing of lands to a railway company, an irrigation company or any other company for public purposes and the same government disposing of the entire resources of a province. That is the first feature I wish to make clear with regard to this resolution: if it is passed it will obligate the government to bring to parliament every transaction which relates to the natural resources it is administering; in other words, it will make wholly impossible the business of administration in the Department of the Interior and in certain other departments of the government; it will make wholly impossible the business of this parliament in the matter of legislation, because it would be absolutely impossible for this parliament to consider the many matters relating to resources which under acts of parliament are being transferred by the executive to-day and still devote time to anything else, that is if the approval of these transfers were to be the first business before parliament. So far as the government's administration of the resources is concerned, it is the result of acts passed by this parliament. These acts impose certain obligations upon the government in administering the natural resources of the country. Parliament has surrounded the actions of the executive in this regard with such safeguards as parliament has thought necessary to impose, one of them being to the effect that there must be laid on the table of this house within a certain period after the opening of the session each year a statement together with all particulars of the transactions which have taken place. In addition, there is an obligation that these transactions must be recorded in the Canada Gazette, and in many cases they cannot go into effect until after the Gazette has been published a certain number of weeks or months. There are innumerable regulations restricting the executive, all designed to prevent the very thing my hon. friend has in mind in connection with this resolution, namely, the possibility of any fraud on the part of the executive in administering the public resources.

What acts have been passed by parliament to this end? To mention only some of them we have the Dominion Lands Act, the Forest Reserves and Parks Act, the Yukon Act, the Northwest Territories Act, the Irrigation Act, the Dominion Waterpower Act and the Dominion Land Surveys Act.

Under the provisions of these acts the government is parting with some resources from day to day; parting with them under orders in council, which is the only way the crown can proceed in matters of the kind. If this resolution should pass we would have to stop dealing with these matters until we could bring them before parliament for approval. What would be the position of parliament when it came to deal with them? I will read one clause from section 75 of the Dominion Lands Act, it is as follows:

Every regulation made by the governor in council, in virtue of the positions of this act, and every order made by the governor in council authorizing the sale of any land or the granting of any interest therein, shall have force and effect only after it has been published for four consecutive weeks in the Canada Gazette, and all such orders or regulations shall be laid before both houses of parliament within the first fifteen days of the session next after the date thereof, and such regulations shall remain in force until the day immediately succeeding the day of prorogation of that session of parliament, and no longer, unless during that session they are approved by resolution of both houses of parliament.

In pursuance of that clause the Minister of the Interior (Mr. Stewart) on February 8, 1929, laid on the table of the House of Commons a return to orders under this and other acts; mention of this return will be found in the votes and proceedings of that date The minister laid on the table a statement showing the orders in council which had been passed since the date of the last return under the provisions of the Dominion Lands Act, the Dominion Forest Reserves and Parks Act, Migratory Birds Convention Act, the Yukon Act, the Northwest Game Act, the Northwest Territories Act, the Dominion Water Power Act, the Irrigation Act, the Dominion Lands Survey Act, and the regulations for the survey, administration, disposal and management of the railway belt in the province of British Columbia. Hon. members can see what these returns amount to from the size of the file of documents I hold in my hand, the resolution before us asks that every one of these orders should be reviewed by parliament before anyone of them would be effective. In preparing these orders, to secure the country against any shortcomings on the part of the administration, the departments have to have regard for the regulations surrounding the legislation. I asked the Minister of the Interior (Mr. Stewart) if he could secure some of the regulations, orders and acts which govern his department, and the volume which I hold in my hand, which is about four inches thick, is the legislation of which account has to be taken by the government departments in administering these resources. Before this parliament could decide definitely on these matters it would have to become familiar with all these regulations. This only shows how impossible is the task which the hon. gentleman is seeking to impose on us.

I have obtained a record of the business transacted at the Dominion Lands offices, and I will give the house the figures just for the one month of December, 1928. The number of transactions in Dominion lands was 3,737; in timber and grazing lands, 2,270; in mining lands, 1,873; school lands, 248, and miscellaneous, 226, a total for one month only of 8,354. Such transactions as these would have to be approved by parliament before they would become binding, if the resolution proposed by the hon. member should be passed and acted upon.

Mr. WOODSWORTH: What is the number of items of expenditure that would have to be passed upon in the course of the carrying on of the administration of the government of Canada?

Mr. MACKENZIE KING: I have been very busy during the last few days and I am afraid the hon. gentleman will have to work that out for himself. Perhaps I could give him some information which appears in the report of the Department of the Interior. For example, the report of the controller of the land patents branch and registrar of Dominion lands patents shows that for the fiscal year ending March 31, 1928 there were 5,490 letters patent issued, covering a total area of 938,652 acres. All those letters patent would have to be brought before this house and passed upon, should my hon. friend's resolution carry. Page 50 of this report contains the report of the superintendent, Mining lands branch; and the following is a portion of the first paragraph in this report:

The administration of those regulations which govern the disposal of mining rights on Dominion lands, that is, the mineral rights the property of the crown in the provinces of Manitoba, Saskatchewan, Alberta, and in the Northwest and Yukon Territories, is the duty of the mining lands branch.

The report continues:

All mineral rights are disposed of by lease, license or permit for limited periods of time, and not by sale.

And then again:

Of the above number, 1,603 petroleum leases were issued during the year, comprising an area of 318,605 acres.

The report has the following to say with regard to coal leases:

The total number of coal mining leases issued during the year was 73, comprising 26,788 acres,

and the total revenue collected during the year for rental of such rights was $172,949.95.

Should this resolution pass, all such matters would have to be passed upon by this parliament. The report continues:

During the year entries were granted for 4,478 quartz mining claims, of which number 4,328 were for claims in the western provinces, for the most part in Manitoba.

Not one of those claims could have been dealt with if this particular resolution were in force. These are but a few of the transactions which might be cited in this connection.

I asked the Department of Indian Affairs this morning whether this resolution would affect the work of that Department in any way, and I have received the following memorandum from Mr. Scott the superintendent general:

The natural resources under the control of this department of the federal government consist of Indian reserves. These have been set apart out of the public domain usually under the stipulations of a treaty or agreement with Indians. They are held in trust and administered under the provisions of the Indian Act. This act provides for the surrender to the crown for sale for the benefit of the Indians the lands, timber, minerals and all other utilities appertaining to the reserves. When sales are made natural resources are alienated to this extent. As these transactions are numerous, it would be practically impossible to expect ratification by parliament. It is acknowledged that the ultimate interest in Indian reserves is in the province when the province owns the public lands and that upon extinction of the Indian interest (that is, if the Indians entirely disappear), all lands and moneys held in trust for them go back to the province.

The time of this parliament would have to be taken up with those matters to the exclusion of its proper duty.

Mr. EVANS: Did Saskatchewan turn down the offer because of certain conditions imposed by the Dominion government, or did they say that the subsidy was not enough?

Mr. MACKENZIE KING: The hon. member will have to ask the government of Saskatchewan what was in their mind. They turned it down, and I think the reason was that the subsidy was not enough.

I hope I have not trespassed too long, but I think it is important that the house should grasp the significance of some of the resolutions which are being introduced, and also the significance of some of the obligations which are placed upon the federal government. Were this particular resolution to be rejected it might appear to those who are not familiar with the business of government administration as though in some way hon. members of parliament who had opposed it were not as anxious as my hon. friend who moved the resolution to make parliament supreme in reviewing transactions of this kind. I have dwelt on this matter at the length I have so that the public as well as hon. members will be in a position to see just what is involved in the motion before the house. Parliament has its obligation in the matter of legislation; the executive has its obligation in the matter of administration, and the moment you try to have parliament become the administrator rather than the maker of the laws, at that moment you create endless difficulties both for the administration and for parliament.

Mr. WOODSWORTH: Does the Prime Minister apply that to divorce cases?

Mr. MACKENZIE KING: I have not anything to do with divorce. I am not married. I have other problems to worry about.

May I come back to what I have been endeavouring to say? Parliament imposes upon the executive certain obligations. Parliament controls by regulation the work of administration. The duty of the executive is to carry out the obligations that parliament places upon it. It is not the duty nor the business of the executive to go further in these matters than was intended by parliament in its legislation.

I think it is apparent that most of the problems respecting resources relate to the provinces. The provinces are primarily concerned with the natural resources, whether they be lands, mines, timber, water-powers or other resources. I can conceive of nothing easier than to raise in this country the old issue of provincial rights if the federal government were to go beyond its jurisdiction and seek to perform in dealing with resources that belong to provinces acts which parliament never intended should be performed by a federal government. We have to be particularly careful in this Dominion, which is composed of provinces as well as a federal authority, to see that powers given to the Dominion for one purpose are not used to frustrate the rights of provinces as regards other matters which have been entrusted to them.

A good deal of discussion has taken place in connection with power resources, and I want to say a word in that connection, in order to make perfectly clear wherein the administration of water-powers within a province may belong to the province, and not to the Dominion, and wherein there may be a difference of views as to powers generated in navigable waters. The question has arisen whether, under the rights which the Dominion

has with respect to the protection of navigable waters, the power that results from works constructed in a river for the purpose of improving navigation, would belong to the Dominion or the province. That question has been referred to the Supreme Court of Canada and the answer that we have received, as I made clear the other day, is to say the least, indecisive as to what in that regard are the rights of the respective parties. Some persons reading the judgment may say that the emphasis inclines in one direction, while others may say that it inclines in the other. I think the judges have indicated fairly clearly that they must have a concrete case before them before they will attempt to give any real decision as to the respective rights of the Dominion and the provinces. What I wish at the moment to make clear is that, as regards navigable waters, the authority given to parliament to protect navigation and the means taken by parliament to exercise that authority enables the government, with respect to any applications that comes before it for approval of plans of any company generating power in navigable waters, to impose such conditions as, in the opinion of its experts, are necessary to safeguard navigation. But it was never intended by any legislation of which I am aware, that the power which was given to the Dominion, to protect navigation, was a power to be exercised to frustrate provinces in the legitimate development of their own natural resources. That is an aspect of its rights and obligations which the government has to consider pretty carefully.

We have had placed before us by a company in the province of Quebec an application for the approval of certain plans that are essential in the development of power under a charter which has given to that company by the province of Quebec. From much of the discussion in the public prints, one would think that the Dominion government was giving a charter for the right to develop water power in the province of Quebec. The government has neither the power nor the authority to give a charter such as the one I refer to. The legislature of Quebec protects its own water powers; that legislature gives its charters to companies in the light of its administration of its own resources and what it may wish to have done with them, all that this government is called upon to do, under the legislation which has been passed by parliament to protect navigable waters—navigable waters being a subject which, by the British North America Act, is assigned to the Dominion parliament for protection and development—is to say whether or not those plans prejudice in any way or will injure the needs of navigation in the waters in which the works are to be placed or to which they may be related. When plans are submitted they do not go before a body of ministers; they go to expert engineers who examine them to see whether or not they would be an obstruction to navigation. If they are, then the Dominion has no right to approve them. If they are not, the Dominion has then to consider whether there are other obligations of a general character of which account has to be taken? Where the river St. Lawrence is concerned, I submit there is a very real obligation of which the Dominion must take account: the Dominion is obliged to see that any step which is taken under a provincial charter shall not be of a character which in any way will, in the first place, interfere with navigation, or, in the second place, prejudice any possible scheme of development of navigation of which account ought to be taken because of the important national interests involved or to be considered. In other words, in regard to the St. Lawrence, the government would not only be justified in refusing but ought to refuse to approve any power plans that would have the effect of prejudicing the development of the St. Lawrence as a great ocean shipway. But if engineers and experts, whose business it is to look into these matters, advise the administration that not only do plans submitted not obstruct or appear in any way as an obstruction but that they may also be made to serve to help the larger object, then the government has to ask itself whether it is justified in preventing an industrial development in the matter of water power in a province where it finds navigation fully safeguarded simply because under an act of parliament, it has been given the duty of safeguarding navigation? I am bringing this up at the moment because it also bears on the resolution of my hon. friend.

In matters of government certain acts are legislative; others administrative; while parliament has given to the executive power to approve plans, has parliament thereby parted with its power of controlling any situation, should it be found that the executive in the exercise of its duty and authority has made a mistake, has gone too far? Not a bit of it. The other evening I read to the house a section of the Navigable Waters Protection Act which provides with respect to any approval given by the Dominion to any works or other construction in navigable waters that parliament may at any time annul all that has been

done. My hon. friend the leader of the opposition says: But would parliament think of annulling any act of the executive. He said if this were done it would destroy the credit of the country, that it would never do to make a contract and then subsequently to annul it. Well, that is something which the parties who apply for approval of their plans under the navigable waters protection act, have to take into account and have always had to take into account. That is how parliament protects itself. That is how the country's interest is protected. All a company gets when its plans are submitted is approval of its plans subject to the right of parliament to annul all that the executive may do in granting approval.

Mr. WOODSWORTH: Is not that what my motion asks for?

Mr. MACKENZIE KING: No, it does not do that. It is just the other way around. It suggests that even before any kind of approval is given, this parliament should of itself pass upon plans in the first instance. I think I have made clear that such a proceeding would make the prosecution of public business impossible in this parliament. We would be spending all our time in trying to approve plans, involving technical and engineering features of which with our knowledge we could know but little. My hon. friend from Winnipeg North Centre (Mr. Woodsworth) has not made any new discovery by his resolution, or discovered any new way in which parliament can protect the rights of the people in the matter of these natural resources. Parliament has taken the one means that is consistent with parliamentary government and the administration of public affairs. If we were to adopt the method which my hon. friend has suggested, business administration and the work of parliament as well would be rendered impossible. That is the point I want to make clear, and I do submit that in matters so comprehensive in their scope hon. members should not permit their judgment to be obscured by current rumours with respect to a lease here or a lease there, rumours which as well known are often circulated merely for the purpose of confusing an issue, but rather that they should look at the situation in its entirety, and ask themselves whether existing legislation goes far enough to protect the public interest. If it does not, then by all means let legislation be introduced which will serve this end; but let it be workable legislation.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I shall not occupy very many minutes with what I have to say. The first observation I have to make is to say to the right hon. the Prime Minister that I do not think he was quite fair and candid in his reference to the leader of the opposition (Mr. Bennett).

Mr. MACKENZIE KING: In what particular?

Mr. EDWARDS (Frontenac): I will say in a moment. I am sure the right hon. the Prime Minister realizes that when the leader of the opposition used the words, "What is the hurry? Why the haste?" he was referring specifically to the deal put through in regard to the Seven Sisters falls, and not the natural resources at all.

Mr. MACKENZIE KING: Not at all.

Mr. EDWARDS (Frontenac): In that respect I do not think the right hon. gentleman was quite fair.

In the second place, I want to say that I cannot support the resolution proposed by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I cannot do so because it says:

> That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

I cannot support that because in doing so I would be giving acceptance to his statement that the natural resources of the prairie provinces are under the control of the Dominion government, and I do not believe that properly they are. I believe that in regard to the natural resources of the prairie provinces the Dominion government has usurped authority, and it cannot justify it by any reference to our constitution. It is clearly set forth in section 117 of the British North America Act that:

> The several provinces shall retain all their respective public property not otherwise disposed of in this act, subject to the right of Canada to assume any lands or public property required for fortification or for the defence of the country.

I make the statement that under the constitution the Dominion is a landless entity, that every foot of land within the bounds of a province is the property of that province as soon as it is created, with the exceptions specifically stated in the British North America Act referring to Indian reserves and lands required by the Dominion for fortifications or for purposes of defence. With these very clearly stated exceptions, I say that as soon as a province is created the land within that province is vested absolutely in the province,

and not in the Dominion. That is just where we have got into all our difficulties in dealing with this queston of the natural resources. It should have been dealt with away back in 1871, when the province of Manitoba was formed. But when a party commits one wrong, it is easier perhaps to commit a second wrong. The first wrong committed by the Dominion parliament was in creating the province of Manitoba by the act passed on the 12th of May, 1870. The Dominion government delimited the boundaries of a certain part of the territories which formerly were under the Hudson's Bay Company, and said: We will call that the province of Manitoba. They had no right to do anything of the kind, because clearly the lands at that time had not passed from the Hudson's Bay Company, and did not pass from the Hudson's Bay Company till six weeks later. To give the exact dates, the Hudson's Bay Company rights were extinguished on June 23, 1870, and the province of Manitoba was created on May 12, 1870. If further proof is wanted that my statement is correct, it will be found in the British North America Act of 1871, in which section 5 was inserted for the express purpose of validating an act which up to that time was a nullity. That, I say, was the first act of piracy, if I may call it that—

Mr. CANNON: Does not the Imperial act render valid any act which may have been passed previously by the Dominion parliament?

Mr. EDWARDS (Frontenac): That is just exactly what I said. The Imperial act, the British North America Act of 1871, was passed for one express purpose, and that was to validate the act which had been passed by the Dominion parliament in 1870, creating the province of Manitoba.

The next act passed by the Dominion parliament in regard to this matter was passed in 1872. That was the Dominion Lands Act, by which the Dominion of Canada or the government of Canada assumed the right of ownership over all that territory which they wrongly asserted that Canada had bought from the Hudson's Bay Company. There is a very common impression throughout the country that Canada bought from the Hudson's Bay Company, Rupert's Land and the northwestern territories for the sum of $1,500,000. The Dominion of Canada, as a matter of fact, never bought one foot of land from the Hudson's Bay Company for the province of Manitoba or any other province.

Mr. CANTLEY: You are wrong.

[Mr. J. W. Edwards.]

Mr. EDWARDS (Frontenac): I am not; I know what I am talking about. The Hudson's Bay Company could not sell what they did not own, and the Hudson's Bay Company never owned that land. They had a lease or the right to trade which gave them certain powers over that territory, and when this Dominion parliament conceived the idea of adding that territory to the Dominion of Canada, did they go to the Hudson's Bay Company? No; they put through an address to Her Majesty Queen Victoria, asking that that land be transferred and added to the Dominion. Why did they appeal to Her Majesty the Queen? Because the Hudson's Bay Company held their charter from the queen, and the only one to whom the Hudson's Bay Company could surrender their charter was to Her Majesty the Queen. They did surrender their charter, and $1,500,000 was paid over as a consideration, we might say, in respect of certain improvements, and so forth, which had been made by the Hudson's Bay Company while established in that territory. But that sum was not paid over in payment for that vast extent of territory. That vast extent of territory did not pass from the Hudson's Bay Company to the Dominion of Canada. It passed from the hands of the Hudson's Bay Company back to Her Majesty the Queen.

The Act of Confederation very distinctly sets forth these facts, that while the Dominion of Canada had administrative rights over that territory until provinces were created, it did not have sovereign rights. It had the rights of a trustee only, and the moment a province was created that trusteeship ended and the sovereign rights in the territory were vested at once in the newly created province. All the trouble in connection with the natural resources of the prairie provinces has been from start to finish the effort on behalf of the Dominion to claim sovereign rights which, under the constitution, it has not got. I quote from a return brought down to this house:

> The Dominion claims the right of jurisdiction by authority of the surrender made by the governor and company of Adventurers trading into Hudson's Bay to Her Late Majesty Queen Victoria,—

Please note those words: "by authority of the surrender to Her Late Majesty."

> —bearing date November 19, 1869, and made pursuant to the powers and provisions of the Rupert's Land Act, 1868.

Now, Mr. Speaker, I should like any hon. member to point out to me any statute of the Imperial parliament, including the Confederation Act, which will warrant the federal government's claim to ownership of one foot of

land contained in the three prairie provinces or any other province. The right hon. Prime Minister said a few moments ago: Oh, regarding the water-powers in the province of Quebec or any other province—no, not any other province; he was referring specifically I think to a certain plan under contemplation—we have the right in so far as the St. Lawrence is concerned, in fact it is our duty and our responsibility to see that navigation is not interfered with. But he was very distinct and emphatic in his statement that in regard to the water-powers, we will say, in Quebec or Ontario, not navigable rivers like the St. Lawrence, the government at Ottawa has no right to say a word. He says those powers belong exclusively to Quebec and Ontario. Then I should like to ask him: If the water-powers in the provinces of Quebec and Ontario belong to those provinces, and the only authority that has a right to say a word about their disposal is the local legislature, on what clauses of the constitution does he base that statement? Does he rely on those clauses which explicitly say the provinces shall own and have control of the natural resources within their boundaries? That being so, I ask him: By what right does this or any other government sitting at Ottawa undertake to interfere in the leasing of the Seven Sisters falls? Why not let the province of Manitoba do as the province of Quebec or the province of Ontario would do with any water-powers within their boundaries? Why did this government undertake to interfere and advise?

Mr. MACKENZIE KING: We did not interfere or advise at all.

Mr. EDWARDS (Frontenac): The Minister of the Interior carried on negotiations with the Manitoba government. I submit that this government had no right to interfere at all. The government of Manitoba, if it only had the courage to go ahead, could have made its bargain with any company it saw fit to deal within regard to the Seven Sisters falls, or in regard to any other water-power within its boundaries, and tell the government at Ottawa to go hang. I say if the provinces of Saskatchewan and Alberta care to assert their rights under the constitution, they can administer their lands and their water-powers without any reference to the government at Ottawa, and I believe their action would be sustained by the judicial committee of the Privy Council.

Mr. ADSHEAD: Did not the provinces of Saskatchewan and Alberta surrender those rights because of the subsidies granted in 1905?

Mr. EDWARDS (Frontenac): No. No person will so assert. Alberta does not say so, Saskatchewan does not say so. Alberta submitted or agreed to an arrangement to accept a certain subsidy in lieu—not in surrender of—in lieu of certain property rights; and as I think the Minister of Railways very properly said, the very fact that a subsidy was given to those provinces in lieu of their resources is an admission on the part of parliament and the federal government that those provinces have property rights in their natural resources, that those resources belong to them.

Mr. DUNNING: Unquestionably.

Mr. EDWARDS (Frontenac): True they accepted the subsidy; but not in exchange for their right of ownership, not in exchange for their sovereign rights. That was only a temporary arrangement.

Mr. GARLAND (Bow River): But did not transfer of control of administration over the resources go with the acceptance by the provinces of the subsidy?

Mr. EDWARDS (Frontenac): That is a matter of agreement which I claim is based on a wrong foundation.

Mr. GARLAND (Bow River): That may be.

Mr. EDWARDS (Frontenac): Now, in a speech last session the Prime Minister said that in his judgment it was a great mistake that these resources had not been handed back to Alberta and Saskatchewan in 1905. With that sentiment I entirely agree. It was a great mistake. It was also a mistake when the resources of Manitoba were not handed back in 1870.

Mr. MARCIL: Perhaps the reason was that those provinces at that time thought the subsidies were more necessary to them to organize and carry on their government than possession of the lands.

Mr. EDWARDS (Frontenac): Perhaps they did. I will not undertake to give the reasons that moved them to agree as they did; but I repeat that the agreement for the acceptance of the subsidy was not in lieu of their ownership or proprietary rights over the land.

Mr. DUNNING: If my hon. friend will permit me—the very words themselves bear out his contention, " inasmuch as the province will not have administration of the resources."

Mr. EDWARDS (Frontenac): Yes, I can understand that. Let us be fair in discussing this matter. I am prepared to attach a certain amount of blame to the present govern-

ment for not returning these resources. But this is not the only government to be blamed. Unquestionably a certain amount of blame attaches to every government that has held office since those provinces were created; and a certain share of responsibility and blame attaches to us as members in allowing this condition of affairs to go on from year to year. It has gone on so long that the people of Alberta and Saskatchewan and Manitoba have come to the conclusion that they cannot do anything without coming down here to Ottawa and asking permission. They have become accustomed to the yoke around their necks, and not being free men, they have come to regard the Dominion as really owning those lands. The Dominion of Canada from 1870 down to the present time, not by one piece of legislation but by dozens, has been guilty of acts of political piracy without parallel in any other civilized part of the world.

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): Yes, that language is not too strong. The Dominion has been guilty of acts of political piracy without parallel in any other civilized country in the world.

Mr. MACKENZIE KING: It is good alliteration.

Mr. EDWARDS (Frontenac): I hope you like the sound of it. The Dominion has been exercising sovereign rights where it possessed none, and I challenge any member of the government or of this house—

Mr. CANNON: Will my hon. friend allow me? What does he do with the order in council of June 1870, transferring the Northwest Territories to the Dominion?

Mr. EDWARDS (Frontenac): What order in council?

Mr. CANNON: That of June, 1870.

Mr. EDWARDS (Frontenac): The order in council of the Imperial government?

Mr. CANNON: Passed by Her Majesty the Queen.

Mr. EDWARDS (Frontenac): Transferring what?

Mr. CANNON: Transferring the Northwest Territories to the Dominion.

Mr. EDWARDS (Frontenac): That is all right; I never disputed that; I said so a moment ago. Certainly they transferred it to the Dominion. But I should like my hon. friend to grope around and look further into that book and find if he can where the transfer to the Dominion constituted the Dominion anything else than a trustee and not owner. The transfer did not give to the Dominion sovereign rights. I defy my hon. friend to point to any clause in the constitution contradicting my words; the constitution did not give sovereign rights.

Mr. CANNON: I find it in the act of 1871, passed by the Imperial parliament, which ratified the Manitoba Act passed by the Dominion parliament.

Mr. EDWARDS (Frontenac): There again my hon. friend will need to do a little more searching. This is what happened. The Dominion parliament in 1870 said, "We will create another province out there," and they did not stop to ask whether they had even administrative rights over the territory occupied by the Hudson's Bay Company. They did not stop to ask that. They said, "We will take possession of it, cut it out and call it Manitoba." And as a matter of fact, when the federal government down here did cut out a slice of that territory and call it Manitoba, the Hudson's Bay Company had not yet relinquished its rights; it did not do so until some six weeks later. That is why in 1871 the Dominion government, having seen the mistake, the blunder they had made—it took them only a year to see their blunder, and in that respect they are much speedier than the present government, for in about a year's time they did see where they were wrong—got together and said, "We have created a province out of territory that belonged to someone else."

An hon. MEMBER: It was not owned by the company.

Mr. EDWARDS (Frontenac): Well, it was leased by or was under the jurisdiction of the Hudson's Bay Company. As I say, having seen their mistake, the Dominion government applied to the Imperial parliament to get them out of the hole, much in the same way—history repeats itself—as the right hon. gentleman opposite appealed to the privy council against a decision of the supreme court given unanimously in his favour. They appealed to the Imperial parliament, and the Imperial statesmen said, "Yes, you have made a mistake; you are a little too soon. This land had not yet been transferred to you; it was not transferred to you until six weeks after you passed the act creating the province. The only way we can fix that is to put a clause in the British North America Act." And a clause was incorporated in the act of 1871—clause 5. You will remember that clause 2

conferred upon the Dominion the right to carve out provinces, delimit their boundaries, and give them government, and clause 5 ratified or validated the act of 1870 passed by the Dominion parliament. Now, if the act passed in 1870 by the Dominion parliament was valid and binding, if the Dominion parliament in 1870 had the right to pass that act, what in the name of Heaven was the use of the act of 1871 for the purpose of validating something which was already valid? But it was not valid, and the mistake was rectified. My hon. friend the Solicitor General (Mr. Cannon) says, "Did they not by the act of 1871 transfer the lands in Manitoba to the Dominion of Canada?" Not at all. According to the constitution, the moment that province was formed—and it was validly formed as soon as section 5 was embodied in the act of 1871—that moment even the administrative rights of the Dominion ceased over that particular piece of territory, and the sovereign rights of Manitoba in that territory began. And the same thing is absolutely true of the provinces of Alberta and Saskatchewan.

Under the Northwest Territories government things were somewhat different. The government of the Northwest Territories was operating under delegated authority, an authority delegated to them by this parliament as trustee of that domain. But while this Dominion had administrative rights over that country during the time it was in territorial form, I contend that the moment the autonomy bills were passed in 1905 the sovereignty of the people of Alberta and Saskatchewan became supreme in every foot of land within their boundaries and in every water-power, mine and other resource they had. And the Dominion of Canada, in undertaking to administer those natural resources, did so as trustee. It may be that the Dominion acted with the consent of those people; but if they acted with the consent of the people of the west then I say that the right of ownership lying in the people of Saskatchewan and Alberta, the Dominion government in administering the resources has been merely discharging the function of an agent for the owners, and should not assume the rights of ownership.

Mr. GARDINER: Would the hon. member include in his statement that area set apart for national parks in Alberta?

Mr. EDWARDS (Frontenac): I say this. It seems clear to me, from my reading of the British North America Act, that the moment a province is formed its sovereign rights in every foot of land within the province begin, with the exception of Indian reserves and such lands as are required for fortification or for purposes of defence, and which are specifically exempted. The rights over the parks are in the province; it is up to the province as owner of the land—not in any sense as tenant but as owner—if it so desires to enter into an agreement with the Dominion to set aside a particular area for parks. The province has the right to do that. But they should not come here to the Dominion government as suppliants, the Dominion going ahead and taking what lands they see fit and calling them parks. Alberta and Saskatchewan come here and accept the terms of the Dominion. That is not right. That, Mr. Speaker, is not the way land was set aside for public parks in Ontario. Who set them aside? The people who owned the land, the people of Ontario. And so the people of the western provinces, as owners, have the right to say how much of their land shall be reserved for parks, and to enter into such arrangements with the Dominion as seem best to them for the purpose, but never relinquishing for a moment their position as owners, never relinquishing their sovereign rights to the control of the territory within the bounds of the province.

Mr. ADSHEAD: Would my. hon. friend say that the town of Banff, because it is in Alberta, is under the control of the province?

Mr. EDWARDS (Frontenac): There is no use repeating what I have already said; I have made my statement as clear as I can. However, I will make it again. Under our constitution, the moment a province is created the sovereign rights to every foot of soil in the province, with the exception of Indian reserves and land required for fortification and defence purposes, lie or are vested in the province, whether Banff or any place else. I believe that these provinces in the west have been handling this matter from a wrong standpoint; they have been handling it from the standpoint that it was up to them to come here and get down on their bended knees and appeal to the government at Ottawa to give them this and that. So the Prime Minister says, "We have had negotiations; we have presented certain propositions to Saskatchewan, but Saskatchewan would not agree." By what right does the right hon. gentleman present certain terms to Saskatchewan?

Mr. CANNON: Under section 21.

Mr. EDWARDS (Frontenac): No, not under any section of the constitution or anything else do you present certain terms to

these western provinces on the assumption that you are the owners. You are not the owners and never were.

Mr. CANNON: If my hon. friend will read section 21 he will see that the ownership is expressly given to the Dominion for the purposes of Canada.

Mr. EDWARDS (Frontenac): I say the contrary; I have read section 21 and every other section.

Mr. CANNON: This is the law.

Mr. EDWARDS (Frontenac): Yes, that is the law which is misinterpreted by the Solicitor General and which has been misinterpreted by this government and by every other government which has been in office in Canada since confederation; it has been misinterpreted for the purpose of enabling the Dominion of Canada to exploit these western provinces. I am not a lawyer; perhaps it takes me a little longer to get the gist of a legal argument, but I have read over these acts and I stick to my former statement. I ask the Solicitor General to challenge, if he can, the statement that as soon as a province is created the right of ownership is vested in that province and the trusteeship and administrative rights of the federal government automatically cease under the constitution. That is my submission, and I would like the hon. gentleman to take up the challenge and quote if he can any section of any Imperial act or any other act to the contrary, except acts passed by this parliament. Do not bring to your support acts passed by the Dominion of Canada such as the Dominion Lands Act, because my answer would be that you had no right to pass such acts; you were assuming the right of ownership which you did not possess; you were undertaking to say what should be done with property belonging to someone else. Do not quote any acts passed by the Dominion government; get back to the constitution itself, sections 91, 92, 93, 117 and others which specifically deal with the Dominion's right of ownership. No, I am wrong; I do not mean the Dominion's right of ownership, but the administrative rights of the Dominion, which it has over parts of the country which are not incorporated into provinces. Even there it has not ownership rights, and its administrative rights cease the moment the bounds of a province are fixed.

Now my hon. friend has referred to section 21, presumably of the British North America Act?

Mr. CANNON: No, section 21 of the Saskatchewan act and section 21 of the Alberta act.

[Mr. J. W. Edwards.]

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): Section 21 of the Saskatchewan act of 1905 and the Alberta act of 1905? Mr. Speaker, when Manitoba became a province, when Prince Edward Island became a province, when British Columbia became a province, the acts passed here were validated by the Imperial parliament. Were the acts of 1905 constituting Saskatchewan and Alberta provinces placed before the Imperial parliament for validation? They were not and now, after these acts which were based upon a rotten foundation have been in existence for more than twenty years, the Solicitor General comes forward and says, "But look at section so and so of an act which we undertook to pass, which we assumed we had the right to pass but which, under the constitution of the Dominion of Canada, we had no right to pass in its present terms."

Mr. CANNON: Who says we had no right to pass it?

Mr. EDWARDS (Frontenac): I say so.

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): I suppose hon. members are as much justified in laughing at that as they would be in laughing if the Solicitor General said the opposite. However, when I make the statement that I say so I am giving, as I have a right to do, my interpretation of something more powerful and dependable than the word of the member for Frontenac-Addington or even that of the Solicitor General; I am referring to the terms and conditions laid down in the British North America Act. That is what I mean when I make the statement that I say so, by repeating what is there, and so far the hon. gentleman has not done anything but wriggle and twist in order to find some way to get around that fact. Up to the present he has not found any section in the British North America Act which will bear him out and support this and previous governments in the course taken with respect to western resources.

Could anything possibly be more ridiculous on the face of it than this: Back in 1912 we added 114,000,000 acres to the province of Manitoba, taken from Rupert's Land which was formerly under the administration of the Hudson's Bay Company; we also added 93,000,000 acres to the province of Ontario and 227,375,000 acres to the province of Quebec. What absolute piffle and nonsense it is for the Prime Minister or any other member of this house to get up and talk about equality of status as between the provinces. Were any restrictions placed upon the province of Quebec with respect to the 227,375,000

acres added to that province? Not a bit of it; that would not have been good politics. You can imagine the flood of eloquence which would have issued from the lips of certain supporters of the government in that province if the government had taken the position that Quebec should be given that extension of territory only on condition that there would be no separate schools and no French taught in that territory. Just imagine the roar which would have been sent up, and quite properly so. Yet restrictions of this kind are supposed to be swallowed by the people out west.

Mr. CANNON: What about Ontario?

Mr. EDWARDS (Frontenac): Thanks very much; you need not have reminded me because I was just coming to that. What a howl would have arisen in Ontario if, when the 93,000,000 acres were added to this province in 1912, this government had said, "Yes, we are going to increase your territory but only on condition that you agree to certain restrictions with regard to schools or something else." Just imagine the froth and foam from Queen's Park in Toronto, and from all over the province of Ontario. They would have said, quite properly, "Mind your own business; hand over that territory, and the moment it becomes a part of Ontario under the constitution it is ours to administer; we own it from that moment." So they did; so did Quebec, without any question, but when it comes to adding 114,000,000 acres to Manitoba it is different. Then the government says, "You can have the territory but not without certain restrictions."

When the provinces of Alberta and Saskatchewan were created, certain tracts of land were set aside and given these names, but Alberta, Saskatchewan and Manitoba are not provinces to-day and never have been provinces. The British North America Act defines a province, and it does not give two definitions. So I say it is pure nonsense to talk about equality of status as between the various provinces of Canada. It is all right to cross the ocean and have a conference and then come back with another Magna Charta held under your arm; come back and tell the long-suffering people of Canada who have been tyrannized so long by the mother land that they can now breathe freely of the air of liberty; that now every unit of the British Empire is absolutely on an equal footing, but the man that would make that pronouncement to the people of Canada would be admitting that the so-called provinces are being held by the throat and deprived of their rights. To talk about the equality of status is only a farce. This is not a dominion at all; it has not been a dominion since the parliament of Canada in 1867 first started to assert rights that did not belong to it, and assert control over property to which it had no right. I shall not vote for the motion of the hon. member (Mr. Woodsworth) because to do so would be an admission on my part that the federal government has control over those lands. It has no rightful control; it is exercising usurped authority, and the longer it continues to exercise such authority the more shame attaches to the parliament of Canada.

Mr. A. A. HEAPS (North Winnipeg): If I do not follow the hon. gentleman who has just taken his seat (Mr. Edwards) in his own particular argument, I do so because I believe in what the right hon. Prime Minister said a few moments ago, when he told the house that they should endeavour to understand what the resolution really means and keep as near to the resolution as they possibly could. I regret the Prime Minister did not heed his own advice. During the course of his address he confined himself to the reading of correspondence and telegrams which had been laid on the table of this house a couple of weeks ago, and in which I do not believe this house had very much interest. If the Prime Minister had dealt with the import of the resolution then perhaps we would have had something of a more useful nature from him.

If I understand the purpose of the resolution of the hon. member for Winnipeg North Centre (Mr. Woodsworth), it is to stop such actions as have taken place during the past twelve months, and in particular the signing of such a contract as that between the government and the province of Manitoba. I have not the slightest objection to the government handing over the resources of Manitoba to the government of that province, provided it is done in a proper way, but what I do object to is the manner and method adopted to overcome a difficulty which had arisen last year. When the Prime Minister spoke this afternoon he dealt with everything but the circumstances under which those resources were tentatively handed over to the province of Manitoba.

I want to take this house back to the end of last session of parliament. In May and June of last year the members for Manitoba received a certain assurance from the Minister of the Interior (Mr. Stewart), and we believed that assurance would be binding on the government. Had we thought otherwise, we could have brought to the attention of the

house something which we thought was of vital importance, not merely to the people of Manitoba, but to the people of the Dominion of Canada. But we accepted the pledge given to us by the minister and therefore we did not raise that question in the concluding days of the last session.

The Prime Minister in his treatment of the question this afternoon stressed the differentiation between that which is legislative and that which is administrative. I think most of the members of this house have had the opportunity of dealing with administrative matters as well as matters which might be termed legislative, but there is another function of this house, just as important as its legislative function, and that is deliberative. If this house is refused the right to deliberate on questions of utmost importance, then we lose one of the most important functions that this house possesses. I do not think there is one member of this house who can tell me where the administrative function begins or ends, or where the legislative function begins or ends, because one is often merged with the other. What I might call administrative the government might call legislative, and vice versa.

We object to the circumstances under which this transaction was carried out. At the end of last session we left this house thinking that no further action would be taken until the minister consulted with the members for Manitoba. Not only did he say he would do that, but he said he would take no action until the differences which then existed between the members for Manitoba were adjusted. If I am not correctly stating the substance of the minister's remarks, I hope he will put me right. I challenge the minister to say that those differences have been composed.

Mr. STEWART (Edmonton): The hon. gentleman surely does not mean to infer that the last man who was opposing this thing was to have his difference composed. That would be an impossible position.

Mr. HEAPS: To my knowledge, Mr. Speaker, there is not one member from the province of Manitoba who has changed his mind since he left this house last session.

Mr. STEWART (Edmonton): I must take exception to my hon. friend's statement.

Mr. HEAPS: I am speaking of my own knowledge.

Mr. STEWART (Edmonton): I cannot agree with that statement.

[Mr. Heaps.]

Mr. HEAPS: Perhaps the hon. minister has information which is not available to the rest of us.

Mr. STEWART (Edmonton): I think I have.

Mr. HEAPS: I would be very much interested in knowing who those members are. I think this house has a right to know, because the matter is a public one and consequently there should be nothing to be afraid of. I do not expect that any of the Manitoba members who have changed their minds will be afraid to tell the members of this house that they have done so.

The minister said that he would consult again with the members from Manitoba. How did he consult with them? I never knew the minister intended to visit Winnipeg; I never received any intimation in that regard. I want to say to the minister now that had I received word that he desired to consult with me I would have endeavoured to the limit of my ability to meet him and discuss the whole question. The first I heard of this whole situation was some time in the month of August. I then wrote a note to the minister and told him that I hoped the pledges we had received from him would not be rescinded, and that the Seven Sisters falls would not be given over to the company then being formed. I received a reply from him saying that he would like to meet me when I was in Ottawa. So far as any action on this particular site is concerned, it had all taken place before the end of August last year.

Mr. STEWART (Edmonton): The lease was not issued until the end of September.

Mr. HEAPS: I am not speaking now of technicalities; I am speaking of facts and not merely of what comes to the knowledge of the public. There was a great deal of which the public knew very little, but some of it is now becoming public property. How did the minister meet with the members from Manitoba? Did he call them together in a group as was done here in the house, and consult with them? I do not think so. He called them individually into some back room of the Royal Alexandra hotel in Winnipeg and discussed the matter with them individually. There he got their opinion. I do not think that can be really called consulting with the members of the Manitoba group. I think if he would use the words "insulting the members of the Manitoba group," that might be more appropriate.

In the house the other day reference was made to a round robin that had been signed. Somehow or another—

Mr. SPEAKER: Was the hon. member suggesting that the minister insulted the hon. members from Manitoba?

Mr. HEAPS: I certainly would not like to suggest that, because I know the Minister of the Interior is too good natured a man to insult any member of this house.

I was saying, Mr. Speaker, when you rose, that the minister the other night forgot the round robin that was presented to him early in February, 1928. At that time we had received word from Manitoba that the government of Manitoba intended to dispose of this site. We immediately got busy and had a petition circulated amongst the members of the Manitoba group. I have a copy of that petition in my hand signed by seventeen members from Manitoba. There are altogether eighteen members from that province and there is only one exception, namely, the Minister of Immigration (Mr. Forke). I believe I am doing the Minister of Immigration no injustice when I say that at the time this petition, if you would call it such, was presented to the Minister of the Interior, the Minister of Immigration was in favour of the petition. It is dated Ottawa, February 8, the day it was presented to the minister in his office. It reads:

> The Honourable Charles Stewart, Minister of the Interior, Ottawa:
> We the undersigned members of parliament from the province of Manitoba respectfully request that the power site on the Winnipeg river known as Seven Sisters falls be retained for the use of the government of the province of Manitoba in their own provincial hydro-electric system.

That was very definite. Besides this petition only one other request was made to the minister, and that was on a subseqent occasion, I believe some time in May, when the hon. member for Portage la Prairie (Mr. McPherson) took a message to the Minister of the Interior telling him how the situation was at that time, that we had split nine to four on that occasion but still retained the position that we had in the month of February last year.

I do not know what happened in Winnipeg when the minister met the various members of parliament from Manitoba. Possibly some might have changed their minds; but I should like to remind the minister that if any one of them changed his mind, in the month of September, before the agreement was finally ratified between the provincial government and the Dominion government, there came down to Ottawa the hon. member for Winnipeg South Centre (Mr. Thorson) who pleaded with the Dominion government not to proceed with that agreement. I believe when my hon. friend came down to plead with the cabinet on that particular occasion, he represented the overwhelming majority of Liberal opinion in the city of Winnipeg. I might say, while I am this afternoon expressing my disapproval of the action the government took on this question, that I, too, represent a large body of Liberal opinion in the city of Winnipeg and probably in the province of Manitoba.

I said a moment or two ago that this lease had practically been disposed of long before the month of September, 1928, and in order to substantiate my statement in that regard I will read a very brief article from the Financial Post, published in Toronto about the first week in March, 1928. Financial people as a rule know a good deal more about what is going on in connection with power sites than most members of parliament do; they usually are in advance with such information. This is what it said, and I want hon. members to bear in mind that this was published in the first week of March, 1928:

> New financing in connection with the Seven Sisters falls power development in Manitoba, is forecast by an unofficial announcement that a satisfactory report will shortly be issued from Winnipeg, giving the Winnipeg Electric authority to go ahead with its development at this site. Assuming that the government gives its sanction, it is understood that a new company will be formed to develop the Seven Sisters site. A public issue will probably be made to provide the money necessary for the project. The premier of the province undertook recently to inquire into the question of power development in this region, and although as yet no official announcement has been made, it is understood that this report will be very shortly forthcoming, and will be entirely favourable to the development of a site by the company. Following an official announcement to this effect, the next move, as already stated would be the creation of a new company, associated, with, or controlled by the Winnipeg Electric, and which would then proceed to issue securities for the purpose of financing the development.

I will go a little further than that, and state that in the winter of 1927-28, the same company were buying land in the vicinity of the Seven Sisters site, because they were pretty certain that site was going to be theirs in the very near future. They went a little beyond that. In addition to buying land in that area, they were actually proceeding with the development work and during the winter of 1927-28 equipment was taken out to the site. Yet when we members from Manitoba took up the question in parliament we had no

knowledge of the facts I have just enumerated. I should like to know how these financial people in Canada knew probably before the house met last year that they were going to get the site and yet six months or longer than that afterwards, the Dominion government and the government of Manitoba were dickering in regard to some form of agreement. If there had been no hitch in the granting of that site to a private corporation that was formed for taking it over, I do not think the agreement would ever have been consummated. I asked a question the other day of the Minister of the Interior, and I think hon. members will remember that the minister said that the premier of the province of Manitoba had no authority to hand over this site to another company. That is quite true. He did not have the authority; he would have had to seek authority from the provincial legislature, and the reason why he did not want to accept the agreement as originally submitted by the Minister of the Interior, I believe was that if the site had been handed over to the premier of the province of Manitoba he would have been compelled to submit the agreement to the legislature of the province, and that was the last thing the premier of Manitoba wanted to do. Therefore I say that the Minister of the Interior, together with the premier of Manitoba, assumed a very grave responsibility, because by his action the Minister of the Interior was assisting the premier of Manitoba to defeat possibly the will of the people of that province.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 28, 1929

The house met at three o'clock.

PRIVILEGE—MR. KING (KOOTENAY)

Hon. J. H. KING (Minister of National Health and Pensions): I wish to speak to a question of privilege. Just before coming into the house to-day I had brought to my attention an editorial appearing in the Ottawa Journal this morning under the heading, "Keep Politics out of the Pension Board." This editorial begins as follows:

> From an authoritative source information reaches The Journal that an effort is being made to limit the powers, destroy the independence, and curtail the usefulness of the Board of Pension Commissioners.

This is a very serious assertion, Mr. Speaker, and it is so unwarranted and contrary to the actual conditions existing in the department to-day that I wish to give it an unqualified denial. It is my purpose, with your consent and the consent of the house, to make a further statement in regard to this matter, after I have had an opportunity of perusing this long editorial.

[Mr. Heaps.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TOBACCO INVESTIGATION

Mr. GOTT:

1. What was the total cost of the tobacco investigation in western Ontario during the year 1928?
2. What are the names of those who served on the commission?
3. How much was paid to each for: (a) salaries; (b) per diem; (c) transportation; (d) other allowances?

Mr. MOTHERWELL:

1. $3,541.27.

2. E. S. Archibald, chairman; E. P. Tellier; H. B. Archibald; A. J. Desfosses, secretary.

3. (a) Salaries:—No salaries chargeable to the commission. Regular salaries of E. S. Archibald and A. J. Desfosses continued by the department for their regular duties, which duties they were able to maintain by brief recesses in work of the commission.

(b) Per diem:—$20 per diem each H. B. Archibald and E. P. Tellier—each $640. In addition thereto, all 3 commissioners received $12 per diem allowance living expenses:—E. S. Archibald, $324; E. P. Tellier, $384; H. B. Archibald, $384.

(c) Transportation:—E. S. Archibald, $143.90; E. P. Tellier, $180.40; H. B. Archibald, $231.52; A. J. Desfosses, $91.90.

(d) Allowances:—$221.55. This includes living expenses of secretary, hiring of halls for meetings, advertising meetings, and other incidentals.

Note:—The printing of the commission's report cost an additional $300.

ELECTRIC POWER IMPORTS

Mr. STEWART (Leeds):

1. What quantity of electric power was imported to Canada in the year 1928, at each of the following points: Coaticook, St. Armand, St. Johns, Emerson, Gretna, North Portal, Lethbridge, Niagara Falls, and Sarnia?
2. Were such importations under provisions of a license or licenses from the United States or any state of the union?

Mr. EULER:

1. Prior to April 1st, 1928, no record.

Statement showing the imports from the United States of electrical energy entered for

consumption in specified provinces of Canada during the period from April 1st, to December 31st, 1928:

Province	K.W.H.
Quebec	1,154,228
Ontario	1,015,340
Manitoba	63,386
Saskatchewan	12,096
Alberta	22,912

2. No information.

CANADIAN NATIONAL RAILWAYS—TELEGRAPH LINES

Mr. MacLAREN:

1. Have the Canadian National Railways acquired the Western Union telegraph lines in the maritime provinces?
2. If so, what is the purchase price?
3. If not, at what stage do the negotiations stand?

Mr. DUNNING:

1. Yes; but actual transfer to the Canadian National Railway Company will not be effective for a few months, to give the Western Union time to provide housing facilities for the operation of their cable equipment and staff before they can release property.
2. $1,103,295.
3. Answered by No. 1.

QUESTION PASSED AS ORDER FOR RETURN

CUSTOMS OFFICES CLOSED

Mr. KENNEDY:

1. What customs offices have been closed within the last year in each of the provinces of Canada?
2. What customs offices remain in each of the provinces?

THE BUDGET

On the orders of the day:

Sir EUGENE FISET (Rimouski): May I be permitted to ask the Minister of Finance when we may expect the budget.

Hon. J. A. ROBB (Minister of Finance): To-morrow.

MONTREAL RAILWAY TERMINAL FACILITIES

REPORT OF MR. FREDERICK PALMER

On the orders of the day:

Mr. L. G. BELL (St. Antoine): In view of the Palmer report regarding the terminals at Montreal, may I ask the Minister of Railways what action is contemplated by the government during the present session? What is the intention of the government as to acting on that report?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The report was secured by the government in order to render service to all the various interests concerned in the solution of that problem. Any action taken in this parliament can be action only with respect to the Canadian National Railways. It is not contemplated by the government to force upon the city of Montreal or upon the various interests affected the adoption of any particular general plan. The effort of the government was merely to secure for the interests affected—the people of Montreal, the city of Montreal, the harbour board, the tramways, the two great railway corporations—expert information bearing upon their problem. That information is now in their hands. The president of the Canadian National Railways has indicated that so far as the Canadian National are concerned they desire to move in the matter of Canadian National terminal construction or reconstruction in Montreal; but I gather from him that any suggestions which the Canadian National make to-day or this session will not have the effect of rendering impossible the evolution later of a larger scheme. I take it that the proposals of the Canadian National, if adopted at this session, would tend to fit in with any future ultimate development which might be decided upon by agreement among the various interests affected.

Mr. BELL (St. Antoine): Is it the intention of the government, then, to take some action regarding Canadian National facilities this session?

Mr. DUNNING: We are awaiting the representations of the Canadian National in that regard; the matter has not yet been considered from that point of view.

BRITISH COLUMBIA PENITENTIARY

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): May I ask the government when it is anticipated that the vacancy in the wardenship of the British Columbia penitentiary will be filled? It has now been vacant for a year. The same question might be asked in reference to the deputy's position. There has been a good deal of comment owing to the fact that the present incumbent, the acting warden, is residing at a hotel in Vancouver instead of at the penitentiary.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As my hon. friend will

observe, I am unable to answer the question in the absence of the Minister of Justice. I assure him that if he is an applicant his application will receive every consideration.

Mr. McQUARRIE: I can inform the Prime Minister that I am not an applicant.

JACK MINER'S BIRD SANCTUARY

On the orders of the day:

Mr. H. C. HOCKEN (Toronto West Centre): Is it the intention of the government to make a grant to Jack Miner's bird sanctuary?

Mr. MACKENZIE KING: The estimates are down and they indicate such grants as the government is asking for at the moment. The particular subject my hon. friend has mentioned is one we will have to consider, and I shall be glad to bring it to the attention of the proper authorities.

CAMP BORDEN

On the orders of the day:

Mr. T. W. KAISER (Ontario): May I ask the Minister of National Defence whether he has come to any decision with regard to the suggested removal of Camp Borden from its present location?

Hon. J. L. RALSTON (Minister of National Defence): The answer is in the negative.

NORTHWEST TERRITORIES ACT

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Prime Minister if it is the intention of the government to introduce an act this session to amend the Northwest Territories Act with regard to trial by jury.

Right Hon. W. L. MACKENZIE KING (Prime Minister): That is another question I will have to refer to the Minister of Justice, and I will ask him to give my hon. friend a reply.

INQUIRY FOR RETURN

On the orders of the day:

Mr. M. N. CAMPBELL (Mackenzie): On February 13, a motion in my name for production of papers was passed by this house, but as yet these papers have not been laid on the table. May I impress upon the government the necessity of securing these papers at the earliest possible date?

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

[Mr. Mackenzie King.]

NATURAL RESOURCES

PROPOSAL THAT DISPOSITION BE EFFECTIVE ONLY ON APPROVAL OF PARLIAMENT

The house resumed from Wednesday, February 27, consideration of the motion of Mr. Woodsworth:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, I feel that I must deviate somewhat from the line of discussion which I followed yesterday. During yesterday's sitting the Minister of the Interior laid on the table rather voluminous correspondence in connection with the Seven Sisters site in Manitoba, and—

Mr. STEWART (Edmonton): May I correct my hon. friend? I sent the correspondence to the Secretary of State, who tabled it together with other documents.

Mr. HEAPS: The minister is quite right, but the correspondence related principally to the Department of the Interior, and I am afraid I must read part of it in order that members of the house may have some idea as to what took place before the site was handed over to the Northwestern Power Company, a subsidiary of the Winnipeg Electric Company.

The correspondence to which I am now referring is found at page 16. First I intend to read the last part of a letter from the Minister of the Interior to the Premier of Manitoba under date of February 16, 1927, approximately two years ago. The letter is as follows:

In view of what has been outlined in the foregoing, and particularly of the fact that I understand that the company is now giving serious consideration to the desirability of abandoning the Pinawa plant (which policy we have advocated for many years, although only recently with much hope of achievement). I would inquire of you as to whether you do not consider that the present time is opportune for the province and the company to endeavour to reach some mutually satisfactory understanding covering the development of the combined Pinawa-Seven Sisters reaches which will serve the two-fold end of adding a substantial block of power to the developable resources of Manitoba, and at the same time of providing the province with a substantial block of power for its present and future needs. There are many alternative ways in which this arrangement could be effected and the above ends achieved. I would appreciate receiving an expression of your views.

This letter was in reply to the request of the Premier of Manitoba that his government be given the lease of the Seven Sisters site.

Now I want to go a little further in the correspondence and refer to a letter written under date of June 7, 1927, from the legal department of the Winnipeg Electric Company to Mr. J. T. Johnston, director of water-powers, in Ottawa. The letter is as follows:

Dear Sir,

I hereby apply for a priority permit for the right to develop power on the reach of the Winnipeg river known as "Seven Sisters" in accordance with plans which are now being prepared and will be submitted to you in the near future.

It is desirous to have the permit issued in the name of a company which is now in process of incorporation. As soon as it has advanced sufficiently I shall furnish you with the name of the company in question, and which of course will be a subsidiary of Winnipeg Electric Company.

This is a continuation of the negotiations which have been carried on for some time with your department relative to power development at the above site.

Yours truly,

(Signed) E. Anderson,
Counsel.

Now I will refer to something which does not appear in this correspondence and which, of course, could not appear in it. About this time the Nesbitt-Thomson interests acquired four foreign-language newspapers in the city of Winnipeg, I am told, for the express purpose of educating the Polish and Ukrainian citizens of Winnipeg and the German citizens of Manitoba to the idea of private development of power resources in that province. I suppose most members of the house will know that these papers have been put up for sale, now that the purpose for which they were bought has been achieved. This fact came out during the hearing of a court case in the province of Manitoba during the last session of parliament.

Going a little further into this correspondence I find a letter dated October 28, 1927, addressed to Mr. Johnston and signed by the counsel of the Winnipeg Electric Company, who is now the president of that company. The letter is as follows:

I am informed that someone has applied for homestead rights, or right to purchase two legal subdivisions 9 and 10, section 25, township 30, range 11, east. As this land is in the vicinity of Seven Sisters falls it would be reserved for water-power purposes.

I presume that "would" should be "should."

I understand the Dominion Lands office here is to give an answer to the applicant on or before the 25th November. Perhaps you will be good enough to take this up with the proper department at Ottawa and see that the land is reserved for waterpower purposes.

I might say that the department did take it up and went considerably beyond what is contained in this communication.

Now I come to a rather more significant point. I have just read some communications which show how willing the department was to acquiesce with the requests of the Winnipeg Electric Company, and on February 6, 1928, after questions had been asked on the floor of this house and the whole matter was to be aired here, the following telegram was sent by the Minister of the Interior to Hon. John Bracken, Premier of Manitoba:

Your wire February second re Seven Sisters. No truth in report that Winnipeg Electric Railway Company is urging federal government for lease to develop Seven Sisters falls. Company's application was dated June seventh, 1927, as to which your government has knowledge. Company has not submitted any further request for action in respect to its application. Mr. Johnston expects to reach Winnipeg Monday morning in accordance with your request.

Here we have a telegram from the Minister of the Interior to the Premier of Manitoba stating that there had been no such request from the Winnipeg Electric Company when I am sure that if I had time to peruse the 750 pages of this return tabled yesterday I would find it full of correspondence similar to that I have read.

Now I go a little further. I think hon. members will remember that on June 6 last the leader of the opposition raised the question of the disposition of this power site. The matter was brought up at about ten o'clock in the evening and the minister then gave the assurance to the leader of the opposition (Mr. Bennett) that no action would be taken by him or by the government until he had consulted with the members from the province of Manitoba. He also said that if the differences had not been composed there would be no leave issued for this development. In the following correspondence which was tabled yesterday I find this communication dated at Ottawa, June 7, 1928:

Dear Mr. Bracken,

I have your letter of the 31st ultimo re the Seven Sisters falls lease, together with the memorandum of statements made in your legislature about the matter.

As the matter is one that has created a great deal of interest in Manitoba and last night, was made the matter of comment in the house by the hon. Mr. Bennett and, in view of the fact that delay of a month or so will not injure the prospects of this development, I think it wise on my part to delay the issuing of the license for that time.

However, I note you have not changed your position from that taken in your former letter.

Mr. MANION: What was the date of that letter?

Mr. HEAPS: June 7. Within twenty-four hours of the minister giving his pledge to the house he writes this letter to the Premier of Manitoba, as much as to say: Do not take any notice of the pledge I gave in the House of Commons; we have something in common between us and we are going to slip it over. I think the house deserves a little better consideration than that. I do not know whether the Prime Minister was acquainted with this correspondence, but he was good enough to read into the records of the house considerable of the correspondence in connection with the return of the natural resources. I would be pleased to have the Prime Minister read into the records of this house the correspondence from which I have just read myself.

Mr. STEWART (Edmonton): If the hon. gentleman is inferring that there was a breach of faith on my part, I want to say to the house that I tried to indicate in my speech the action I had taken to reconcile the difference of opinion which was evident among the members at that time. As I pointed out, the lease was not issued until the end of September. There was a great deal of correspondence passing between the parties; considerable pressure was brought to bear upon me throughout the whole proceedings, and I feel that I had satisfied, as far as it was humanly possible, the objections that were raised to the granting of this lease.

Mr. HEAPS: I have no comment to make on what the Minister of the Interior has just said. I think the letter I have just read speaks for itself.

This action of the government has created a good deal of feeling in Winnipeg and Manitoba, and rightly so, because we have had a very hard struggle to maintain our public utilities in the city of Winnipeg. These utilities represent a large investment and are the result of a long struggle on the part of the people of Winnipeg, and anything that is done by any government institution, either by legislative or by administrative act, is bound to create a good deal of feeling in that city.

This transaction has created a feeling of distrust in the province of Manitoba. I do not know whether or not that feeling is well founded, but I would like to read a letter written by the manager of the city Hydro to the chairman of the Ontario Hydro Commission, Mr. Magrath. This letter was dated February 8, 1928, and I will only read a brief extract from it. I think the Minister of the Interior knows who Mr. Glasco is, and I do not suppose he would impute any wrong motives to him. At the time this letter was written I do not suppose there was any thought that this correspondence would be made public, but as this whole matter has received considerable publicity I think I can quote one or two brief sentences. This is what Mr. Glasco says:

> The water-powers branch's engineers and their minister too, I believe, seem partial in every way to the private power interests in this dispute that has arisen, and I am hoping that Mr. Johnson will not be able to impress his views too strongly on Dr. Hogg during his sojourn in Winnipeg.

The "Mr. Johnson" mentioned in the letter is Mr. J. T. Johnston, the head of the water-powers branch of the Department of the Interior. On February 20 I received certain replies from the minister (Mr. Stewart) in reference to a series of questions which I had placed on the order paper. My questions were as follows:

> 1. Who requested Mr. T. W. Johnston, head of the water powers branch of the Dominion government to go to Winnipeg in connection with the disposition of the Seven Sisters falls site?
> 2. What instructions were given to him in the matter?
> 3. On whose authority did he collaborate with Dr. Hogg?
> 4. What authority did Mr. Johnston have to submit a series of questions to Dr. Hogg as to whether the Seven Sisters falls should be developed under public or private ownership?

I received the following reply from the Minister of the Interior:

> 1 to 4 inclusive. At the request of Premier Bracken, Mr. J. T. Johnston, Director of Water Power and Reclamation, Department of Interior, visited Winnipeg to place at the disposal of the provincial government all physical and technical data required for the consideration of the Seven Sisters falls matter under review.

I would ask the house to pay particular attention to the latter part of this reply.

> Mr. Johnston did not collaborate with Dr. Hogg other than to supply data as above mentioned, nor did he submit any questions to Dr. Hogg as to whether the Seven Sisters falls should be developed under public or private ownership.

I would like to quote from the Winnipeg Tribune of Friday, February 15, 1929, with reference to the evidence given under oath by Mr. Clubb, who was then Minister of Public Works. In this article Mr. Clubb described the first meeting with Doctor Hogg, expert of the Ontario Hydro who was with the government. Premier Bracken, J. T. Johnston of the water powers branch, Ottawa, and C. H. Attwood of the water powers branch at Winnipeg had been present. The meeting had lasted two hours and he had not conferred again with Doctor Hogg. A list of questions had subsequently been drawn up between

Doctor Hogg and Mr. Johnston for Doctor Hogg to answer, said Mr. Clubb. I would like to know who is telling the truth about this matter, the head of the water powers branch of the Dominion government, or the hon. minister?

Unfortunately I have only the ordinary allotted time in which to discuss this extremely complicated question, and my first opportunity to peruse the correspondence brought down was this morning. However, I would appeal to my Liberal friends on the other side of the house who believe in the principles which elected them to office in the year 1921. During that year this country was flooded with literature, with pamphlets and with documents pleading with the electors of Canada to turn out the Conservative party. I discovered a little book in the library which contains a series of Liberal pamphlets which were broadcast throughout the length and breadth of the Dominion of Canada.

Mr. GARLAND (Bow River): Broadcast by whom?

Mr. HEAPS: By the Liberal party. This is what appears on the very first page:

> The Liberal Party led by
> Honourable W. L. Mackenzie King
> stands for
> Government of the People—
> Not—by Autocrats
> Government by the People—
> Not—by Big Interests
> Government for the People—
> Not—for a Favoured Few.

On page 10 of this book the following appears:

> Restoration of the control of the executive by parliament, and of parliament, by the people through a discontinuance of government by order in council and a just franchise and its exercise under free conditions.

If that was the policy of the Liberal party in the year 1921 I would like to know why they have departed from that policy to-day. If government by order in council was no good in 1921, I want to assure my hon. friends on the Liberal side of the house that it certainly is no good in 1929. Conditions between then and now have not altered so much as to make it necessary for people to alter their principles. When this matter was raised by me through a question across the floor of the house a couple of weeks ago on the subject of the development of the St. Lawrence waterways, we were told that big questions could not be settled by the ordinary members of parliament; that the ordinary member of parliament had not the understanding, the knowledge and the technical wisdom that the members of the cabinet had. That was the inference anyone would draw, because what the Prime Minister (Mr. Mackenzie King) has told the members is that these technical questions should first of all be settled by the cabinet, and that when the deed was signed, the house could have an opportunity of reviewing the matter.

Mr. MACKENZIE KING: May I correct my hon. friend? I said that even the cabinet had not the technical knowledge; that the cabinet had to depend upon the advice of expert engineers.

Mr. HEAPS: Then how does the cabinet decide these questions?

Mr. MACKENZIE KING: On the advice of expert engineers who have the knowledge.

Mr. HEAPS: Can the house not do the same?

Mr. MACKENZIE KING: I presume so.

Mr. HEAPS: Then the only difference between the Prime Minister and myself is: why does the house not do it? He says that the house should not do it, and I say that the house should. One of the fundamental Liberal principles is the supremecy of parliament, not the supremacy of the cabinet. In spite of all that has been said, in spite of the good qualities possessed by many members of the cabinet, I believe there could be convened from the 230 or so members who are not in the cabinet, just as good a body of men who would understand the technical advice submitted to them as there is in the cabinet itself.

Mr. J. A. GLEN (Marquette): Mr. Speaker, when I first read the resolution moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) I realized, as has been pretty well established in the discussion that has taken place since, that its terms are altogether too wide. The resolution reads:

> That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

The hon. member himself recognized that the terms of the resolution are altogether too wide because, in his own speech as reported on page 441 of the Hansard of February 25, he said:

> Someone may raise the practical objection that my resolution is too broad.

Further on, as reported on the same page, he said:

> I might as well be frank and say what induced me to bring forward this resolution—it was the power situation.

Having widened the terms of his resolution to include, as has already been stated, so many of the functions of the administration of the departments, he will, I am sure, after the speeches of the leader of the opposition (Mr. Bennett) and the Prime Minister (Mr. Mackenzie King), recognize that it will be impossible to support his resolution in its present terms. In this matter I realize fully what was intended by the hon. member in introducing his resolution. I have a good deal of sympathy with the spirit which evidently actuates the resolution, namely, that there should be no domination of the power interests in the Dominion of Canada. I, like him, have had to fight against these in the house, not in the form of the financial interests; but I remember the old feudal system of Scotland where we had just as great an iniquity as we have in the financial situation as it exists in Canada to-day. There a head was raised which it was easy to knock. Unfortunately the financial interests of Canada constitute a hydra-headed monster so that no sooner do you hit one head than another rises, and in many cases you do not know where these financial interests have their head at all.

Having said that, the hon. member for Winnipeg North Centre went on to complain about the domination of the power interests and he sought to illustrate that by a particular instance. I think he will agree with me that when he was at school and took his lessons in logic he learned that when you introduce a universal premise with a particular minor premise, you cannot draw a universal conclusion. He has done this, in that the domination of these interests is the major premise, while the particular premise is the Winnipeg power site; and therefore draws the general conclusion that all should be abolished. I cannot agree with that.

I think, however, something will have to be said from the point of view of the members for Manitoba who took part in all the negotiations leading up to the issuance of the lease. In this I am speaking not for any group but for myself, giving my own individual opinion. May I say at the outset that I have not changed my opinion from that which I held at the inception of our agitation regarding the issuance of the lease. Some history will have to be given as to the attitude of the Manitoba members. The opposition was absolutely clear and I think it can be stated in very few words. I do not propose for one moment to enter into the correspondence of which the hon. member for North Winnipeg (Mr. Heaps) who has just taken his seat, has spoken, because I have not been able to see it. I do not think it is my particular function to defend the Minister of the Interior (Mr. Stewart) in any of his negotiations. I will speak afterwards of the meetings that we had with the Minister of the Interior, but in the present instance I wish to say that despite the implication of the hon. member for Frontenac-Addington (Mr. Edwards) yesterday that the members from Manitoba had no right to enter into this controversy because the province had all the sovereign right and were in absolute control of their resources, nevertheless the fact must be recognized that the Department of the Interior had, if not absolute jurisdiction over those resources, at all events the disposal of them within their right. That being an acknowledged fact, we as federal members from Manitoba had to take the position that we should, if possible, give our advice to the Minister of the Interior. The Minister of the Interior, very properly I think, asked the advice of the members from Manitoba. Before that was done a round robin was signed by sixteen of the seventeen members from Manitoba and addressed to the Minister of the Interior. It read:

We the undersigned members of parliament from the province of Manitoba respectfully request that the power site in the Winnipeg river known as Seven Sisters falls be retained for the use of the government of the province of Manitoba in their own provincial hydro-electric system.

After that date it is not possible to give in chronological order all the meetings that took place. We had many meetings among ourselves as members and I can assure the house that some of them were very hectic. There were some differences between the members who sit in the southeast corner of the house as well as among those who sit in line with me. Some took one position, some another, and their opinions were expressed very strongly at those meetings. At all events, suffice it to say that after a vote had been taken among the different members from Manitoba, a letter was addressed to the Minister of the Interior (Mr. Stewart) on May 15, 1928, as follows:

Re: Seven Sisters Falls

Dear Sir,—The federal members representing the province of Manitoba have had before them the question of the disposal of the power of the Winnipeg river at Seven Sisters falls for some time and after thoroughly going into the matter beg to advise that their recommendation in connection with same is as follows:

1. That the site be not disposed of but that the matter be held in abeyance until the close of the next session of the provincial legislature for the purpose of giving the legislature of the province of Manitoba an opportunity to express its opinion in connection with the disposal of the said power site or the development of it by the province of Manitoba.

2. That the said interval would afford the city of Winnipeg an opportunity to take a

referendum vote on the question as to whether the said city desires to develop the power at said site in connection with their present hydro-electric system.

3. That in the event of the province of Manitoba deciding to develop the said power as a provincial undertaking, that they be given said right upon request.

4. That in the event of the province of Manitoba deciding not to develop the said site and the city of Winnipeg having reached a decision to develop same, that the city be given the opportunity of developing said power on such terms as may be satisfactory to the government of the province of Manitoba.

5. That in the event of neither the province of Manitoba nor the city of Winnipeg wishing to develop said site that the present applicants The Winnipeg Electric Railway Company be given priority to any other private corporation to develop same subject to the usual restrictions and conditions imposed by your department and on such additional terms as may be asked for by the province of Manitoba in reference to any proposed lease or agreement to be entered into by the said company with the Dominion of Canada or the province of Manitoba.

Mr. GEARY: What was the date of that?

Mr. GLEN: The 15th of May, 1928.

Mr. SPENCER: Who was the writer of that letter?

Mr. GLEN: The letter expressed the majority opinion of the Manitoba members, and was signed by myself as chairman of that meeting.

In the whole controversy which ensued, whatever may have been in the minds of others, the one dominant feature in my mind was that if the issuance of this lease was a departure from the principle of public ownership, which I with other members had been on record as supporting, then so far as we federal members were concerned, we were determined to do all in our power to delay the issuance of that lease until the representatives of the people of Manitoba had had an opportunity of declaring themselves on the matter in the legislative assembly.

It will be noted that the letter I have just read demands that the province of Manitoba, in the first instance, shall take over the site. The hon. member for Nelson (Mr. Bird) spoke the other evening of having quarrelled with many of his friends. I can tell him that he is not alone in that respect. We found after this letter had been signed by the majority of the Manitoba members in the federal house that we were bombarded right and left, and that a great many of our political friends were taking opposite views from us. The Manitoba Free Press lost no opportunity to berate us, and I felt that in self-defence it was necessary that I should state and re-state in the province of Manitoba the position we took at that time. I therefore wrote a letter to the Manitoba Free Press, and also to the Winnipeg Tribune, which I propose to put on record. It is dated June 25, 1928, and reads as follows:

Dear Sir,—I would like to re-state the position of the federal members for Manitoba in view of the issues which are being injected into the controversy, and the motives which are being ascribed to them.

When the proposed agreement with the Winnipeg Electric Railway Company was before the Minister of the Interior he naturally, and as I think, correctly asked for the views of the federal members. These power sites are at present under the control and jurisdiction of the Dominion parliament. The acceptance or rejection of this agreement could at any time be the subject of discussion in the House of Commons, and in that discussion I presume even the critics, newspaper and otherwise, would not challenge the right of the representatives of Manitoba to take part. However the fact is that the opinion of the Manitoba members was invited, and may I say that I am convinced no member approached this question either in the role of expert, or as a politician, giving to the latter term the sinister meaning which is intended to be conveyed by editorial writers. It was a matter of the deepest concern to every individual member. I am in a position to state, that during all the discussions which took place among the members, the political significance of any decision which might be arrived at, was not even mentioned. The whole matter resolved itself into two fundamentals which I think the members were competent to discuss, these being (first) whether the proposed agreement was in violation of the principle of public control of national resources, and (second) whether the people of Manitoba were fully seized of the proposed alienation and had had opportunity of so expressing.

As to the first there can be no doubt that only extraordinary and incontestable circumstances would warrant the transfer of the Seven Sisters power site to a private company. At the time there was nothing to indicate that the transfer of this site had ever been considered as a concrete proposal by the legislature of Manitoba, and I think it is a fair statement to make that the publication of extracts of speeches of individual members demonstrate the fact that at the time these utterances were made there was no definite proposal for the acquisition of this site. Subsequently an effort has been made to show that a shortage of power will take place by 1929, according to Mr. Anderson, K.C., although Mr. McLimont puts it at 1931, and apparently there is no doubt in the minds of any of the promoters for the electric company that there will be no difficulty in disposing of the power to the consuming public. The question naturally arises in one's mind that if private capital which is usually operated on conservative and safe bases, are willing to make this large investment assured of adequate returns then certainly the province of Manitoba should hesitate, and carefully consider the granting of a franchise which despite the safeguarding clauses as to expropriation may mean the alienation of a national resource. I, with other members, have taken the position that this imperative demand for the immediate disposal of this power site is not justified. There are factors in this matter which are

being, if not ignored, at least evaded. I do not propose to refer to these at this time. So far as the majority of the federal members are concerned it is not necessary in view of their decision, but it is certainly a warrantable assumption that the transfer of the Seven Sisters site means the electric company will have the dominant control of the Winnipeg river and the development of other power sites will occur only and if the company at their sweet will decide to do so.

This brings me to the second fundamental I have referred to, whether the citizens of the province are seized of the facts and have expressed themselves. To state that is to answer it. It can be moderately stated that until the proposed agreement was submitted for completion the people generally had no idea of its purport. Since then there has been a newspaper controversy which while helpful does not reflect general public opinion. I have met Winnipeg citizens who might have been expected to take sides on behalf of the electric company protesting against the feverish activity to dispose of the power site. It is somewhat remarkable that this immediate need should develop in so short a time, and should take the form of a stampede. Those of us who sought and requested delay in order that sane and reasonable consideration should be given to a matter so important have not in my opinion exceeded our duty as members, apart altogether from our rights as individual citizens. We did not take a position antagonistic to the electric company. We did not assume a knowledge of the whole question, although some of us could, I think, without unduly straining our intelligence, form and express a decision on the subject matter quite as competently as those who assume the position of promoters. All we did was to counsel delay and this was done in the form of a resolution whose terms seem to have been forgotten, and which were as follows:

Then follows the letter which I have already read, and with which I shall not trouble the house again. To continue:

There is danger in the confusion of issues which have been created. There is no hostility on the part of the federal members to the proposed agreement with the electric company. As a matter of fact there is a specific declaration that in the event of the province or the city of Winnipeg refusing to develop the power site this company be given priority to any other company. There is no hostility to the provincial government. If no mandate is given by the people to the government to undertake the proposition they will suffer no loss of prestige, in fact the contrary. If the city of Winnipeg decide not to proceed to develop then the whole proposition must come back to the electric company and the consideration then of the terms of the agreement. Whatever the ultimate result we have taken the position that this whole matter should not be disposed of until some opportunity is given to the people to express their opinion. That is what we recommended. Was it an unreasonable request? The people must judge.

For these reasons I was convinced then, as I am now, that our proposal that the government of Manitoba submit the agreement to the legislature for ratification was the proper procedure.

[Mr. Glen.]

Now I come to what has been injected into this controversy, namely, the conference which took place between the representatives of the Dominion and the province of Manitoba, an announcement regarding which was made on July 11, 1928. There will be some difference of opinion among the members from Manitoba as to the effect of clause six of that announcement. It reads:

Pending this transfer—that is, the transfer to the province of the unalienated natural resources within its boundaries—the policy of the government of Canada in the administration of the natural resources of Manitoba to be in accord with the wishes of the government of the province.

During the session of 1928 the Prime Minister announced that an opportunity would be given for a discussion with the province of Manitoba in regard to its natural resources. That assurance was prompted probably by members on this side of the house, and in particular by some of ourselves representing Manitoba constituencies. There was a resolution on the order paper dealing with the return of the natural resources of Alberta, which I will frankly say gave us some concern as to how we were to vote. It became a question whether the natural resources were to be dealt with according to the wishes and the direction of the provinces. Ultimately that resolution was withdrawn, but the Prime Minister on the floor of the house gave an undertaking that the natural resources question with the province of Manitoba would be settled at an early date, and we were satisfied.

A conference did take place for the purpose of dealing with the question of the return of the natural resources to the province of Manitoba. In my judgment that altered the position so far as I personally was concerned; and as I said at the beginning I am speaking wholly for myself. Before I became a member of this house I with many other citizens had been urging the provincial government to request the Dominion government to return the natural resources. Every government that I know of, whether Liberal, Conservative or Progressive, has from time to time demanded the return of the natural resources to the province. When the time came for a discussion between the Dominion and the province it was set forth in the announcement to which I have referred that these resources would be returned to Manitoba, and that pending their transfer the provincial government would have control and that the Dominion government would make whatever disposition of the resources the provincial authorities might desire. I think, as the Prime Minister stated yesterday, that that was an entirely reasonable thing for the province of Manitoba to ask, and I am still of that opinion.

As I say, I took that position then, and I stated it to the Minister of the Interior when I saw him in Winnipeg in August last. The only modification in my view was this, that I thought the responsibility for the disposal of that power site must rest with the province of Manitoba. As a federal member, having expressed that view publicly, I was determined that the province of Manitoba should take absolute control of the disposition of its natural resources, and that it was the right and duty of the provincial government so to do.

I understand that for the meeting with the Minister of the Interior in Winnipeg in August last a number of the Manitoba members were not available, and consequently were not present. I happened to be at that meeting, and I may say it was not held in a back room. Seven of the federal members from Manitoba met the Minister of the Interior. We expressed the opinion then, as I think we will express it now, that there was no change in our attitude with regard to delay, that that attitude had not been altered in the slightest degree; but we did state what I have already stated, that in view of the anouncement made by the federal government that the natural resources would be held at the disposal of the provincial government, we must see to it that they definitely and unequivocally assumed full responsibility in the matter. If my memory serves me right, I suggested to the Minister of the Interior that no report of any interview with Premier Bracken was sufficient, that there ought to be an authoritative statement from the Manitoba government by way of order in council that they wished the Dominion government to issue a lease of the water-power site.

Now, Mr. Speaker, the Minister of the Interior did consult with seven of the members from the province of Manitoba, and he advised us of the demand that had been made by Premier Bracken and what the federal government proposed to do. That did not alter my personal opinion that I as a private citizen of the province of Manitoba will have a right to express at any time in the future, but I did take the position, as I do now, that the provincial authorities having accepted the offer of the Dominion government for the return of the natural resources —and that agreement is likely to be ratified by this parliament—they were responsible solely for the disposition of any of those resources.

Mr. WOODSWORTH: May I interrupt the hon. gentleman—supposing the present government is defeated on the issue, what would be the situation?

Mr. GLEN: In the province of Manitoba?

Mr. WOODSWORTH: Yes.

Mr. GLEN: You are anticipating. I do not expect they will be defeated; I sincerely hope not.

Mr. HEAPS: Do you approve of their action in this matter?

Mr. GLEN: I have already stated my viewpoint as frankly and as clearly as I know how. I should like to say further that I had an opportunity of discussing this matter with Premier Bracken right here in Ottawa. I know there have been suspicions aroused with regard to his integrity, and it has been suggested that the machinations of some people influenced him in the action he took. I have known Premier Bracken personally for many years, I know his character, and the whole province knows his splendid reputation. In the discussion which I had with him—a perfectly frank discussion by the way—he took a certain line with which I did not agree; but I will say this, no man, unless he had indisputable evidence, would ever convince me that Premier Bracken was improperly influenced by any power in the province of Manitoba or the Dominion of Canada.

Mr. CAMPBELL: May I ask if Premier Bracken issued any lease at all? Was not the lease issued by this government?

Mr. GLEN: There is no use quibbling about what we already know. After my discussion with Premier Bracken I am of the firm conviction that he acted solely in the interests of Manitoba. I am willing to give him that credit, although I differ from him—in answer to your question—as to the method he adopted. The position of the members in Manitoba was clear and unequivocal. I believe that the province of Manitoba through its legislature is alone responsible to its citizens for what is done with that power site. Our duty ceased as soon as the agreement was arrived at between the Dominion government and the province.

Mr. T. L. CHURCH (Toronto Northwest): The hon. member for Marquette (Mr. Glen) will not be true to his principles of public ownership or true to the interests of the province of Manitoba or of liberalism so far as its natural resources are concerned, if he does not now vote to defend those principles. Manitoba and the two sister provinces in the

years to come will be very greatly interested in mineral development and in water-power, even though agriculture at the present time may be the basic industry there. What has kept New Ontario back for so long has been the lack of cheap light and power. Away back in 1905 Sir Adam Beck wanted to electrify the Temiskaming and Northern Ontario railway, but was defeated in his efforts. New Ontario was thus set back twenty or twenty-five years because the water-powers in that great country were controlled by private interests. The Ottawa Journal says of Mr. King's policy:

Government by Sidestepping

As an adroit side-stepper of issues calling for decisiveness and responsibility, the palm must go to our Prime Minister, Mr. Mackenzie King. His handling of the St. Lawrence waterway question illustrates his skill. Last year Mr. King said that nothing could be done about this problem until the Supreme Court decided the respective jurisdictions of the Dominion and the provinces in regard to water-power. In the circumstances, the obvious course was to get the provinces and the Dominion to agree upon a set of questions to be answered by the court. That, indeed, was what the provinces wanted. They suggested that there should be a preliminary meeting with the court, and that at this meeting an effort be made to arrive at questions which should be drafted for consideration.

That, however, didn't suit Mr. King. What did suit him was that the Justice Department should draw up a set of vague questions baffling to the proverbial Philadelphia lawyer. The result is well known. The Supreme Court held a hearing; there were long arguments by high-priced counsel; much expense—and nothing else. The court, while answering certain things that didn't much matter, left other things that did matter almost as they were. The questions, it said, were too vague.

That, however, didn't worry Mr. King. It had gained him almost a year of delay, and, what was more to his liking, it gave chance for further delay. And Mr. King took the chance. He took it in the form of deciding that there should now be a—conference. Nothing, when you want to drag something, like a conference.

The conference that the provinces wanted last year, is to be held this year. It is to be held after the session, between Ontario and Quebec on the one hand, the Dominion government on the other. The other provinces, if they evince sufficient interest, may be let in. The conference, of course, is to be over the same old question of the ownership of power.

So Mr. King gets at least another year when he doesn't have to worry over what Canada should do about the St. Lawrence Deep Waterway. He has written a nice letter to Washington about it, telling them that until he can get this matter settled it is impossible to negotiate wih Mr. Hoover or anybody else about going ahead with the project. Truly, Mr. King missed his vocation; he should have been a diplomatist.

[Mr. Church.]

Not that Canada is terribly anxious about the St. Lawrence Waterway. Except for Toronto, which has a pipe-dream about being a great seaport, it isn't anxious at all. That, however, isn't the point. What we are trying to show is the tortuous, circuitous, yet adroit way Mr. King has of getting out of saying Yes or No.

Yesterday we had a remarkable speech from the Prime Minister (Mr. Mackenzie King). We need not worry as to where the Liberal party stands to-day in this matter. The official Liberal party has always been opposed to the hydro and cheap light and power, controlled and developed and owned by the people themselves. In 1905 we had just such a spectacle as we saw yesterday in the Prime Minister's speech. At that time similar speeches were being made by members of the Ross-Hardy government, who were removed from office by the people when they gave away the last concession of 20,000 feet of water in the Niagara. The day before yesterday the Minister of the Interior (Mr. Stewart) also made a speech in this house, showing that he had not played the game with the Manitoba members.

Last May I was prepared to move the adjournment of the house for the purpose of raising this very question of the Seven Sisters site. On that occasion I moved for the production of papers, letters and so forth regarding the Seven Sisters falls, and I also requested at the same time the correspondence with reference to the Slave falls. The Minister of the Interior, in reply to that motion, is reported:

Hon. Mr. Stewart:

A great deal of corespondence would have to be brought down if the motion was passed as it stands, and I am informed that a great deal of the correspondence is not material to anyone. Perhaps the hon. gentleman would let the motion stand until I have had an opportunity of discussing it with him. I think we can reduce the order very materially.

The report goes on—"motion stands." In that reply the minister states that a great deal of the correspondence "is not material." Of course it is not material to anyone now except the Winnipeg Electric interests. The hon. gentleman certainly led me to believe that nothing would be done during the recess; that is the impression I gathered. The motion came up again in the house and was passed unanimously on June 6, and shortly after that parliament prorogued. From that day to the present time I have not seen these papers. A few weeks ago in this session I moved again for the correspondence and I understand that it was brought down yesterday. After the prorogation of parliament I happened to be in Orillia and I read that a bank merger was taking place, and a few weeks later the Seven

Sisters development was handed away over the head of the Manitoba legislature, over the heads of the people's representatives in that body and over the head of this parliament, to the Winnipeg Electric Company; and this parliament also has been treated with contempt by the government, as evidenced by their refusal to bring down the papers, and getting away with things in the recess of parliament.

At the present time the people of Manitoba and, indeed, of Canada are faced with a very grave menace to future development. It is most regrettable, now that efforts are being made to re-establish Canadian business on a firm and solid basis, that the difficulties are being multiplied in this way, and that such a basic necessity as hydro-electric power should be alienated in that province. Yet this is what the federal government is doing over the heads of the people's representatives in parliament. The federal government and the Bracken administration are jointly responsible for the unholy alliance which has been formed to give away the water-powers of Manitoba, which should be under the control of the people of that province. This government has simply handed over a vast monopoly to the Winnipeg Electric Company and the parent body, which has interests as far as the United States, Brazil and even in Tokyo. The Canadian people are no longer willing to sell its rights to private interests, and the government has no right handing out monopolies in this way without the consent of the people. As a matter of fact, it was a miracle that the Georgian bay canal deal did not go through in 1927, with Sir Clifford Sifton, Sir Herbert Holt and others who were interested. But that deal would have been consummated if the new proposed rules to be brought down were then in existence; it would have been put through if the government's new gag rules could have been applied then here in parliament.

In the present transaction millions of dollars are being handed over to a monopoly, at the expense of the people. Only the other day evidence came out to show that while there may be small deficits for the first two or three years in the development of this power by the people, yet in a short time the Winnipeg Electric Company under the present plan will be taking a million a year profit out of the pockets of the residents of Winnipeg. Generations yet unborn will suffer in consequence in their industrial, economic and domestic life. The government is simply mortgaging the labour of future generations for the benefit of a few power grabbers, and party henchmen in Winnipeg, and this is being done, as I have said, over the heads of the people's representatives.

Now where is democracy while all this is going on? Where are all "the great principles of liberalism" which roll so glibly off the Prime Minister's tongue when an election campaign is on? Why, the old family compact, in the days of the struggle for responsible government, is nothing to the 1929 family compact of hon. gentlemen opposite in their conspiracy to part with the water-powers that belong to the people of the province of Manitoba. Yesterday the Prime Minister made a speech in regard to natural resources, defending the government in relation to this question. Well, to-morrow a similar defence will be put forward in this house in regard to the Beauharnois power. But there is this difference between the old family compact and the compact we see to-day: in the old days they had nothing to give away, while to-day they are giving away to favourites the rights of the people in natural resouces. We see nothing here now but every day the incapacity of the government to govern or to solve any economic problem, and the whole attitude of the government in this matter indicates the decay of parliament and the decline of the House of Commons; for over our heads they part with these resources without our consent. The economic loss and waste which we have seen in the railways out west is due directly to the insane railway policy of the Liberal party and the Grand Trunk Pacific and Crows-nest pass deals of other days. In those days the cry was "Cox can't wait," but now it is "Backus can't wait; Jones can't wait; Dafoe can't wait." Dafoe, this great pooh-bah, this king-maker who stands behinds the throne in Ottawa and Winnipeg and pulls the strings, can't wait; Bracken can't wait; Nesbitt can't wait, but the working classes and farmers of Manitoba can wait and will wait until doomsday before they will get any control or regulation of these rates, now that the power grabbers have won. In and out of this house the Liberal government always has been the foe of cheap light and power, not only in Ontario but in the other provinces as well, and have stood for private interests. The government of the day seem to have adopted the motto of a celebrated American, so far as the public of Manitoba are concerned, namely, "The public be damned!" The government can fool some of the people all the time and all the people some of the time but they cannot fool all the people all the time in connection with this great give-away of

the resources of Manitoba, the Seven Sisters give-away, and the give-away of power rights on the St. Lawrence; no government, either the Bracken government or the federal government, can stand against public opinion, and that public opinion will be expressed at the first opportunity, once the enormity of these matters is fully appreciated.

The Prime Minister was very fortunate yesterday; as a local newspaper has said, he is a very adept side-stepper. His handling of the St. Lawrence waterways question illustrates that. The Prime Minister's speech of an hour and forty-five minutes yesterday was taken up in reading a mass of agreements, letters, orders in council, telegrams and so on which were not relevant to the issue at all; he simply ran away from the issue before the house, namely, the Seven Sisters deal. In reference to this question of the return of these resources he said the matter had been considered by three or four prime ministers of Canada and that the various governments of Canada had agreed to return the resources if the provinces would give up the subsidies they were demanding as well, but that the three western provinces declined to do so, with the result that the matter dragged on for eighteen or twenty years. That being the case, what was the reason for the rush on the part of the federal government to turn over these resources to Winnipeg interests? Then the Prime Minister said that in all the discussions about this matter he never heard the words "Seven Sisters" mentioned, and turned to the Minister of Railways for corroboration of that remark, but that does not seem to be borne out by recent developments.

From the time of confederation the federal government has been simply the trustee of these resources for these provinces. Why was Manitoba singled out for this preferential treatment; why were not Alberta and Saskatchewan treated in the same way? Before 1921 the Prime Minister complained about government by orders in council, commissions and the law courts; has anyone ever known the economic problems of this country to be made such a football of as this government has made the question of the resources of Canada by orders in council, and references to commissions and law courts? It seems to me that the government are unable to deal with this question or lay down any policy, and the result has been what we might call a merry-go-round policy. If we were to set up a large merry-go-round in this chamber we would have a concrete example of the policy of the government in relation to this question of natural resources and water-powers. In the first place you would hear the brass band of the Beauharnois boys playing the tune; we would see the question of the St. Lawrence development given a ride through the law courts, through different commissions, back to this house, on to Mr. Taschereau and Mr. Ferguson and back to Ottawa for another year. The Seven Sisters site was placed also on the merry-go-round; we were told last June that nothing would be done during the recess, but the brass band of Dafoe's fusiliers got busy and the Seven Sisters site went for a ride too and the Winnipeg Electric ring won out. Now Dafoe's fusiliers will be marching down the main street of Winnipeg in triumph, and this is the so-called liberalism about which the Prime Minister is so fond of preaching. As I have said in this house many times, there is no such thing as liberalism in this country; the Liberal party has been automatically abolished. We remember what happened when a number of Canadian soldiers from Oshawa, engaged in the automobile industries of that city, came here in 1926, and when their wives came also to save their husbands' jobs; the Prime Minister told them he was not to be intimidated by numbers. I quote from Hansard 1926, May 7, where I said in the budget debate as follows on the principles of liberalism of the present government:

> The deputation from the motor car workers had this great effect that it caused the right hon. gentleman who received them as Prime Minister to repudiate one of the greatest traditions of historic Liberalism. The right hon. gentleman has not a sliver from any plank in that Liberal platform of 1893 to show as proof of his loyalty to the traditions of Liberalism, which abounded in that platform. The right hon. gentleman's association with politics has contributed much to Liberalism going back on the principles of its platform. There is a Liberalism that goes back beyond the Liberal platform of 1893, the Liberalism that rejoiced in that great Liberal tradition of a party that always insisted on the right of petition and the right to send a deputation into the very presence of enthroned tyranny.
>
> I am not in love with the nature of Liberalism as we have it in Canada. As I said before, the word Liberalism no more implies love of liberality in the souls of present day Liberals than the word Progressive implies progress in the souls of Progressives. I am in love with, and never cease to love, the nature of the Liberalism that inspired the freeholders of Buckinghamshire to mount their horses and ride to London to defend John Hampden against the tyranny of Charles Stuart. Macauley has taught us to love the nature of the Liberalism that brought miners from Cornwall on a deputation to defend Trelawney against the tyranny of James II.

The right hon. viceroy of King Robert Forke denied civilian workers and returned soldiers from Oshawa and their wives the opportunity to exercise the great Liberal right of deputation. The right hon. gentleman proceeded to go back on the Liberal principles of his illustrious grandfather, because history tells us that in the dark hour of William Lyon Mackenzie's fortune, a deputation of 1,100 voters in York county insisted on the right to meet the government in Toronto and protest against the injustice inflicted on the grandfather of the present Prime Minister. The right hon. gentleman does not believe in deputations. Why? The freeholders who rode from Buckinghamshire to aid John Hampden, the miners who marched from Cornwall to the help of Bishop Trelawney, never had to fear a more legalized tyranny than the tyranny that spoke in the words of the Liberal leader who tried to rebuke British subjects for seeking help in their hour of need. Some of the voters who rode to Toronto to join the deputation to protest against what they called the destruction of their liberties at the hands of the Family Compact had their homes a few miles from Oshawa. It was from Oshawa that the great deputation came to protest against the destruction of their jobs at the hands of the modern family compact of to-day, that is to say the farmers' compact. The so-called tyranny that rebuked the deputation sent to Toronto on behalf of the right hon. gentleman's grandfather was dubbed with the name "Toryism". The actual tyranny that dared to rebuke a deputation that came to Ottawa in defence of jobs that keep Canadians in their own country wears the so-called name of "Liberalism". The right hon. gentleman, not content with his denial that speaks in the great Liberal tradition of deputations, went back on his grandfathers's principles when he suggested to the Oshawa deputation that he was not to be intimidated by numbers. That is what the Family Compact informed the York county deputation when they insisted that William Lyon Mackenzie be given the seat to which the deputation and its supporters had elected him.

Mr. Charles Lindsey has the following to say about Mr. Mackenzie and his Liberal principles unlike the liberalism of to-day.

"Whatever may have been the means he employed, his aims were honest and public spirited. He was no money hunter; he was the friend of purity and economy in the administration of public affairs. Let no man who values the political freedom and enlightenment we enjoy, fail to give a meed of praise to one who struggled for long years, amidst enormous difficulties, to secure for his country a free constitution and an efficient administration of affairs."

We hear a lot about the Winnipeg Free Press, but this paper should be called the Electric Free Press, for that is all it is. We had two or three papers in the city of Toronto of the same type in 1905 and after when the hydro was launched. The interests who owned the Toronto street railway adopted the same methods of grabbing light, power and transportation resources as has been done in Winnipeg. I would like to quote from an editorial on liberalism which appeared in the Toronto Globe of March 12, 1927.

Perhaps it may be well once again to make the position of the Globe clear. It takes no orders from would-be party managers, "practical" politicians or profit-seeking promoters. Its liberalism is of the old-fashioned, independent George Brown school, which seems sometimes to be getting out of date at Ottawa. It still deems it the duty of a national newspaper to support those policies which it believes are in the public interest, and to fight, if necessary, for those principles which it is convinced should dominate in the consideration of public affairs. It still subscribes to the apparently antiquated theory that the natural resources of the country are the heritage of all the citizens. And it still regards the welfare of the whole people as more important than the avaricious ambitions of a few.

There is a huge electric merger in the United States which has also spread to Canada more or less.

We have to-day in the city of Winnipeg the Winnipeg Electric of a larger Canadian power trust with connections with many other companies. This vast United States trust is a super-power trust and covers in its organization the country from Washington to California, and to the Canadian border and port of Quebec and New York and it is reaching up into Canada to secure the water-powers, not only in new Ontario but in Winnipeg and many other parts of the country. This policy of giving away our water-powers was revoked in Ontario a long time ago. This policy of the government with regard to the Seven Sisters lease will give them the battle of their lives during the next election. The water-powers in Manitoba are the property of the people. Ontario has found the benefit of following out such a policy and Manitoba should; there should be no departure from that. In the years to come millions of dollars will have to be paid by the people of Manitoba and of Winnipeg to recapture and buy back these rights from the Winnipeg Electric people.

The Bracken government stands indicted before the bar of public opinion for their betrayal of public rights, and the government of this country also stands indicted, not only in Manitoba but throughout all of Canada on its give away, the water-powers policy. It is nothing but a crime when we consider that the people will have to pay prohibitive rates for domestic and commercial lighting based on a heavy over capitalization. In Ontario we get this service at cost, but when you buy milk, bread and power in Manitoba you not only pay the cost price but also in addi-

tion a dividend on millions of dollars' worth of watered stock. I will move an amendment in a few minutes which will give the Liberals of Manitoba a chance to declare themselves.

The Minister of the Interior has mentioned the safeguards which have been put around this lease. He said it was only a temporary lease. It is a definite lease, an agreement in writing. Anyone who is familiar with the city of Winnipeg knows what a grasping, avaricious monopoly the Winnipeg Electric is. The minister says that there is control exercised over the rates; he says that the Public Utilities Commission of Manitoba, which is only the Bracken cabinet, governs the rates to be charged for light and power.

Mr. STEWART (Edmonton): The Bracken government is not the utilities commission; Manitoba has a utilities board.

Mr. CHURCH: What has this so-called utilities commission of Manitoba done to regulate the power rates for the city of Winnipeg. They have and can do nothing. The consumers of power, both for commercial and domestic lighting, if they want to get the project back, will have to pay a heavy ransom as Ontario and Toronto had to do in a light, power and transportation sense.

Mr. STEWART (Edmonton): The city of Winnipeg own their own power plant and therefore the commission would not function at all.

Mr. CHURCH: The Minister of the Interior is trying to use up the balance of my time. I think I know something about the city of Winnipeg; I know they own their own plant separate from the private company and have a very fine scheme of domestic lighting for the homes and domestic services and an excellent heating plant and all that. The city of Winnipeg never had a chance on this Seven Sisters grab; the city council reversed a decision they had given for public ownership of this particular Seven Sisters site. You would think you could look to the Winnipeg board of trade to do something, but you might just as well have looked to the board of trade of the city of Toronto in 1905 when the hydro got started. The Winnipeg Board of Trade would rather back the Winnipeg Electric Company than support public ownership and public control. If the cheap light and power movement in Manitoba has to depend on ministers like the Minister of the Interior, the board of trade of Winnipeg, the city council and the Liberals like the public ownership Liberals from the province of Manitoba, then it is good-bye and good-night to the cheap light and power movement in that province. Cæsar once said that all Gaul was divided into three parts. The gall of this Winnipeg electric crowd, and the Beauharnois crowd in Ottawa is so great it is absolutely indivisible.

The minister said that Doctor Hogg was sent up there to investigate this matter, but his report is almost absurd and will in time be found to have been all wrong, just as the one we had back in 1905 from Lord Kelvin when he was brought out from the old country to report on the Decew falls, near Thorold and to report on the practicability of transmitting power from Thorold to Hamilton, a little over 40 miles. He ridiculed it as an impossibility. He said that from an economic standpoint it was impossible to do it. Sir James Whitney and Sir Adam Beck had confidence enough to start the hydro-electric system in Ontario. What was the result? Lord Kelvin said that it could not be done. He said: If you put your money in the Welland canal you can dig and you will get it out again; but if you put it into hydro, you will never get it back. Lord Kelvin was wrong; so is Doctor Hogg on the Seven Sisters matter.

I have not covered all the facts that I should like to have referred to, but I will now move my amendment. I beg to move, seconded by Mr. Gott:

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

It be referred to the standing committee of this house on mines, forests and water-powers, to consider and investigate all leases, grants or permits issued during the past year in respect of natural resources under the jurisdiction of the Dominion of Canada, known as "water-powers"; with power to send for all papers and documents, to summon and examine witnesses, regarding any such leases, grants and permits.

And further, with power to the said committee to report whether such leases, grants or permits are in the public interest, and whether the interests of the federal authorities are amply protected.

And also to report whether, in the opinion of the committee, the said lease or permit in respect of the Seven Sisters falls in the province of Manitoba should be revoked and cancelled, and if so, upon what terms and conditions.

And to report all matter and findings to this house.

Mr. SPEAKER: In my humble opinion the amendment is out of order, for the following reasons. Beauchesne, section 397, states:

An amendment must not raise any question which by the rules of the house, can only be raised by a distinct motion after notice.

The hon. gentleman will notice that the question before the house is an abstract one. It reads:

That in the opinion of this house, no disposition of the natural resources, under the control of the federal parliament, shall be effective until ratified by parliament.

By his amendment the hon. gentleman asks, inter alia, that the lease of a specific water-power called the Seven Sisters falls be investigated by the committee on mines, forests and water-powers. What is the procedure in this matter? I read this from Bourinot, fourth edition, page 321:

It is an imperative rule that every amendment must be relevant to the question on which the amendment has been proposed, and this rule has been invariably insisted upon by Canadian speakers.

Further:

If such a practice were tolerated, all the benefits of giving due notice of a motion, and allowing the house a full opportunity of considering a question, would be practically lost. A member would then be in a position to surprise the house at any moment with a motion of importance,—

This is undoubtedly a question of importance.

—and the necessity of giving notice would be superseded to all intents and purposes. It is not, therefore, surprising that the latest English decisions are in accord with those of the Canadian speakers. Sir Erskine May, in later editions, however, lays it down as "an imperative rule that every amendment must be relevant to the question on which the amendment is proposed."

I have on many occasions looked over precedents on the vexed question of amendments and subamendments, and the ruling is uniform on the subject that no new question must be introduced on an amendment; it must be relevant to the main question. In the present instance the resolution is an abstract one while the amendment refers to a specific subject different from the main one. I therefore rule the amendment out of order.

Mr. GUTHRIE: Mr. Speaker, would you hear just a word on that before coming to a final decision? The test, as I understand it, of the matter in accordance with the paragraph you read from Bourinot is the question: is the amendment relevant? The motion reads:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

The resolution refers to the question of the natural resources under federal control and what disposition should be made of them. The amendment refers to the very same thing. It deals exclusively with natural resources under federal control, proposing another way of investigation or inquiry than that proposed by the motion. Surely it is relevant to the motion whatever else may be said about it. If it is relevant to the motion, no notice is required of such an amendment. I can understand the force of the rule that where a new question is raised irrelevant to the motion, then notice must be given and the rule must be enforced. But if the point at issue is the relevancy of the motion—and that is what Bourinot says—it refers to the identical matter and proposes merely another way of dealing with it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I entirely disagree with my hon. friend the acting leader of the opposition as to the relevancy of the amendment proposed. The amendment of the hon. member is an effort to obtain from the house a committee to investigate a particular transaction referred to more or less specifically in the last clause of his amendment. The amendment in my opinion is so framed as to appear to reflect upon the manner in which the administration has carried out its obligations with respect to certain government leases. If the hon. member has in his mind a suspicion or any ground for suspicion that in any particular the ministry has not performed its duties or any member of the ministry his duties in a befitting manner, he has the privilege, which every hon. member has, on his own responsibility to say so and to make a charge. If the hon. member on his responsibility as a member of this house will make a charge against any member of the administration, I can assure him that the government will very speedily grant him a committee; but we do not propose to have the time of parliament wasted by accepting amendments proposed by the hon. member for general inquiries which amendments are in no way relevant to the subject being discussed and which in this particular instance has to do not with parliament's investigation of one particular transaction or combination of transactions, but wholly with ratification by parliament of the disposition of all the natural resources of the country.

Mr. GUTHRIE: The amendment refers to all transactions within the space of a year.

Mr. MACKENZIE KING: I submit that His Honour the Speaker has placed the right interpretation on the motion of the hon. mem-

ber, and having regard to the authorities which His Honour has cited, the house should support his ruling. One rule cited was that:

> An amendment must not raise any question which by the rules of the house, can only be raised by a distinct motion after notice.

It is certainly clear that notice should be given in a matter of this kind, because the amendment does raise a separate and distinct question. Nor does the amendment run consecutively with any portion of the main motion, and the rule in that regard is:

> Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

I contend that this amendment would not be consistent with the main motion which is now before the house, and that the ruling of His Honour the Speaker in that regard should be supported.

Mr. SPEAKER: If no other hon. member wishes to speak to the point of order, I have already declared the amendment out of order, and I so declare now.

Mr. J. L. BROWN (Lisgar): When the Minister of the Interior (Mr. Stewart) was speaking in this debate, he mentioned that there were some Manitoba members who did not agree with the position that had been taken by the majority, and at that point the hon. member for Winnipeg North Centre (Mr. Woodsworth) interjected what seemed to me to be a rather offensive remark—"Name them" as though the particular members referred to were endeavouring to hide themselves and to refuse to accept responsibility for their attitude. I was one of those who did not agree with the position taken by the majority of the Manitoba members, and I was in good company. I was in company with men who were capable of taking facts, as well as theories, into consideration, men who were capable of taking into account the situation that prevailed at the time these negotiations were being entered into. I was in company with men who were just as sincerely anxious to solve this question in the interests of the people of Manitoba as were those who took the contrary view.

This is not the time nor the place to discuss the conduct of the Manitoba government. I do not conceive that this is a time to discuss the terms of the contract into which they entered, nor do I think that the extent to which any individual Manitoba member may have helped the Bracken government in the provincial election of 1927 is a matter of any great interest to this house. The question before us is the conduct of this government and the responsibility of the minister in relation to this lease, and that, I think, is the only question that should be the subject of discussion at the present time.

The main grievance seems to have been that the minister did not to the very last letter fulfil the obligation that he had assumed in consulting with certain Manitoba members, but it has been made clear also in the course of this debate that the minister did consult with seven of the Manitoba members, in a group, in the city of Winnipeg. It would seem, therefore, that according to the view of certain hon. members the Minister of the Interior could only have fulfilled his obligation by consulting with them. Apparently they assume that they were the ones who must be consulted, and that if they were not consulted, then the minister did not fulfil his obligation. Just at this point let me say that these same members seemed to arrogate to themselves the right to dictate the policy of this government and of this parliament, as well as that of the government and legislature of Manitoba, and of the city council of Winnipeg, and that if action were not taken by these various bodies according to their preconceived views, then that action must necessarily be wrong.

The resolution on the order paper is in very general terms, but everybody knows that it was introduced because a specific question had been brought to the attention of the public. Therefore, I propose to speak briefly as regards my own attitude towards the situation that confronted us during the last session.

Reference has been made to a round robin that was signed by the federal members from Manitoba. I do not know why they introduced that subject. It seems to me that they have made no point by introducing it. The only point that could be made was that they might urge that those who took a position contrary to the position which they themselves had taken were in some way receding from the position which was taken when that round robin was signed. Certainly we signed that document; there is no question about that. I had forgotten the exact terms of the document, but I had a fair understanding of what it meant, and I know what was in my mind when I signed it. As I understand it, we signed a petition addressed to the Minister of the Interior urging that when that particular lease was granted, the Manitoba government should have the first opportunity of acquiring that particular water-power site. Having done that, I conceived that we had discharged our duty in the

matter. It was a perfectly proper step for us to take to ask the Minister of the Interior to allow the Manitoba government to have the first say in the disposition of that power site. Not only was that my understanding of the document, but I think the terms of the document itself confirm my understanding, and show that that is all that could be read into it. The petition was addressed to the Hon. Charles Stewart, Minister of the Interior, at Ottawa, and reads:

> We the undersigned members of parliament from the province of Manitoba respectfully request that the power site on the Winnipeg river known as Seven Sisters falls be retained for the use of the government of the province of Manitoba in their own provincial hydro-electric system.

That is exactly what has been done. The course that was indicated by the majority as the proper one to be taken contained three propositions: first, that the Manitoba government should have the first say as to the disposition of the power site; secondly, the Winnipeg city council, and thirdly, the Winnipeg Electric Company. But Mr. Bracken took the position that if the lease were not granted to the Winnipeg Electric Company, he was going to assert his rights and still occupy the position of priority which had been accorded to him. Now if the course that had been advised by these other gentlemen had been followed, then when it came to granting the lease to the Winnipeg Electric Company, the Manitoba government would have had no say whatever as to the terms of that lease, nor would it have been able to enter into a contract with them, as it did.

What was the position taken by the minority of the Manitoba members? The hon. member for Marquette (Mr. Glen) has stated that he took a certain position at that time, and that he has not since changed his mind. I think perhaps some others of us can say the same, that the position which we took we deemed then, as we deem it now, to be the right one. I took this position in regard to the disposition of that site. As I have already said, when we signed that round robin, and presented it to the Minister of the Interior, I felt that we were doing our duty as representing the people of the province of Manitoba.

Having done that , I took the position that we had discharged our full duty, and that any further responsibility must rest upon the government of Manitoba, with whom the people of the province would deal when the time came. I know the Minister of the Interior did not accept as fully as I did the view that he should act as trustee for and in accordance with the wishes of the province of Manitoba.

It will be recalled that there had been an interprovincial conference in the fall of 1927. The announcement then made in regard to the objections that hitherto had been raised by the other provinces with regard to the return of these resources to the prairie provinces was sufficient I thought even at that time to warrant the government acting on the principle that they would dispose of these resources in harmony with the wishes of the government of Manitoba. So when the announcement was made following that conference, I said at once that it fully justified the position that I had taken. I think hon. members will agree that the government acting as it did following the conference with the government of Manitoba, was simply acting in accord with the course that I had considered proper to pursue throughout the negotiations.

Now, reference has already been made to that conference. I was rather amused when the hon. leader of the opposition (Mr. Bennett) the other night in discussing this matter seemed more than ordinarily to attempt to overwhelm the house with a multitude of words. I could not but wonder whether he was doing what the hon. member for Vancouver Centre (Mr. Stevens) charged the hon. member for Bow River (Mr. Garland) with doing last session, and which he himself confessed he sometimes did, that when his argument was bad he made up for it by vigor of assertion.

Mr. STEVENS: That was a confession, made in the spirit of contrition at that.

Mr. BROWN: Yes. Now, we were well aware that that conference was to be held, it was a matter of public knowledge, and indeed I had special reason for knowing, due to the fact already mentioned by the hon. member for Marquette (Mr. Glen) that there was a resolution on the order paper by the hon. member for Frontenac (Mr. Edwards) dealing with the disposition of certain natural resources in the west. During the Easter recess last session I happened to get hold of a copy of the Orange Sentinel containing an article by its parliamentary correspondent, in which he indicated that this resolution might possibly prove to be embarrassing to the Progressive members from Manitoba. He said:

> It will be singularly embarrassing to the Liberal-Progressive element in the house, who are all from the western provinces. They must vote for the transfer of the natural resources to their different provinces if they desire to consider the sentiment of their constituents.

On the other hand, if they take that course, they will defeat the government, and they are not very keen about that. It puts them on the gridiron, and places them in a hot spot between their desire to support the government and their duty fairly to represent their constituents.

Well, to be forewarned is to be forearmed, so when I was home at Easter I called together twenty-five or thirty of my supporters and placed the situation before them. I told them there was a possibility that the resolution by the hon. member for Frontenac might come up in a form to involve a vote of want of confidence in the government, and I asked them how I should act under the circumstances. Well, they did not want the government to be defeated. For whatever differences there may be between the Liberals and Progressives of Manitoba, they are unanimous on one point, they do not want a Tory government. They told me they did not want to see the government defeated on that resolution, but they felt very strongly on the question of the return to the province of its natural resources. I told my supporters that according to the press there was to be a conference between the Dominion government and the government of Manitoba. They decided then that the proper course for me to pursue, if the matter came up in the form I suggested was that if I could get an assurance from the Prime Minister that the proposed conference would take place, then I might vote against the resolution of the hon. member for Frontenac, involving as it would a vote of want of confidence in the government. That resolution was not proceeded with. I was sorry for I wished to show how we would act when placed on the gridiron. I mention that because of the discussion which has arisen in regard to that conference. It was a matter of public knowledge, and I had an assurance from the Prime Minister that the conference would be held. The result of the conference was entirely satisfactory to me.

It has been said that when the agreement was made following that conference the Seven Sisters site should have been made an exception. I cannot understand how anyone could make such a suggestion. In a conference of that kind where it was agreed that the natural resources should be handled in harmony with the wishes of the government of Manitoba, it would have been absolutely absurd to make an exception with regard to one particular case. It is true that Premier Bracken in his negotiations held a position to the disadvantage of those who took the other view, but none the less they must accept the position as they find it. I have not the slightest doubt that if the question of the return of the natural resources to Manitoba had come up at an earlier stage of last session, and if such a method of dealing with them had been suggested, every member would have voted in favour of the course adopted, and probably would have resented the suggestion that any exception at all should be made.

As I have said, Mr. Speaker, I do not propose at this time to deal with the terms of the contract made by the Manitoba government. That is a matter for which that government is responsible to its own people, and they alone have the right to decide the question. As an elector of Manitoba I propose when the time comes to deal with the question according to my best judgment, just as I try to deal with the questions that come before this house, and I do not think anything is gained by introducing irrelevancies that have not the slightest bearing on the matter in hand.

I propose to vote against the resolution. I have heard it suggested that an amendment might be moved limiting the scope of the resolution to water-power. The suggested amendment has not yet been moved. I cannot vote for any resolution or amendment that would in any way have the effect of qualifying the agreement that was made between this government and the government of Manitoba that the resources should be handled by this government in harmony with the wishes of the provincial government.

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, on Monday last the Minister of the Interior (Mr. Stewart) stated that after communicating with as many members from Manitoba as he could reach during the summer, he found that the opposition which had been so evident here last session was largely removed. In view of that statement, and in order to put my position clearly on record, I feel it my duty to say that my opposition to the leasing of the Seven Sisters falls power site to private interests continued from first to last. I know that was the position also of the hon. member for Winnipeg South (Mr. McDiarmid). In fact, all of the members in this house from the city of Winnipeg, whether Liberal or Labour, were united in their opposition to the transaction from the beginning to the end, and I am not aware of the slightest wavering on the part of a single one of them.

The various steps that were taken in connection with this whole controversy have been enumerated, and I shall not deal with them in detail. The first document which I placed

on my file in connection with the matter—and I have a very voluminous file on the subject—is a copy of the letter dated February 8, addressed to the Minister of the Interior and signed by every single private member from Manitoba in this house. We all signed that document thinking that we were supporting and furthering the wishes of the government of Manitoba.

The next event of importance in connection with the transaction was the announcement which appeared in the press on March 22, 1928. The announcement as it appeared in the Manitoba Free Press of that day is as follows:

> Abandons Scheme for Development at Seven Sisters
>
> Will purchase supply from Winnipeg Electric Company at $13.80 per horse-power on thirty-year agreement
>
> Abandoning its scheme for the development of the Seven Sisters falls site, as a public ownership enterprise, in consequence of the unfavourable report submitted by Dr. T. A. Hogg, Ontario power expert, the provincial government has entered into a contract with the Winnipeg Electric railway for the supply of 30,000 horse-power for 30 years at $13.80 per horse-power.
>
> As a result of the agreement the company will at once proceed with a $15,000,000 power development scheme at the Seven Sisters falls.

I will say quite frankly that this announcement, coming so soon after the previous request of the Manitoba government, came upon us like a thunderbolt, in view of the previous attitude taken by the Manitoba legislature and the Manitoba government with regard to the Seven Sisters falls power site.

The controversy then began to rage at Ottawa. The Minister of the Interior asked the opinion of the Manitoba members with regard to the application of the private company. We were bombarded in the usual way with letters, telegrams, and resolutions passed by various bodies and organizations both for and against the application of the private company for a lease of the power site. The Manitoba members held several meetings to discuss the matter and during the Easter recess a committee of their number went to Winnipeg to study the situation there. I was not a member of that committee but I had already advised the Minister of the Interior of my opposition to the application made by the private company.

On May 15 the Manitoba members held their final meeting in connection with the matter, and I am quite free to admit that it was a very stormy one. A letter was drafted and sent to the Minister of the Interior advising him of the views of the majority of the Manitoba members. I was one of the majority who voted for delay in granting the application that was under consideration. The terms of the letter addressed to the Minister of the Interior have already been placed on Hansard and I need not refer to them further.

On May 25 a very large delegation came from Winnipeg, many members of which were political and personal friends of my own, urging that the lease be granted immediately. That delegation met a committee of the cabinet in the morning, and in the afternoon there was a meeting of the Winnipeg delegates, the Minister of the Interior and several of the Manitoba members. I was one of the members present at that meeting, and nothing that I heard on that occasion caused me in any way to change the opinion I had formed.

Reference has also been made to the statement made by the Minister of the Interior on the floor of this house in reply to a question put forward by the leader of the opposition (Mr. Bennett). The statement of the minister is on Hansard and has already been referred to in the course of this debate. It is very wide in its terms: I must confess that the letter which was read this afternoon by the hon. member for North Winnipeg (Mr. Heaps) comes as a shock to me. After the Minister of the Interior had made his statement on the floor of the house he gave us privately to understand that he would take no action in connection with the application for the lease until he had consulted further with the Manitoba members. That is the position in which the matter was left at the close of the 1928 session of parliament, which prorogued on June 13.

The right of the Manitoba members to intervene in the matter was freely challenged at the time, both editorially and in a resolution that was drafted by the persons who had arranged the Winnipeg delegation. That resolution was referred to by the hon. member for Winnipeg North Centre (Mr. Woodsworth); it was obviously drafted in heat and lacked that calm deliberation which a resolution of that sort should have shown. I therefore make no further reference to it. I should like, however, to say a few words with regard to the question of responsibility for the administration of the natural resources of Manitoba. At the meeting with the members of the Winnipeg delegation, to which I have already referred, I took the view that we, as federal members, owed a duty to our constituencies in the matter and that we would discharge that duty in the best interests of our constituencies and not in the

interests of any groups or organizations; I took the view that we would discharge that duty in accordance with our best judgment. At that time there was no doubt whatsoever that the responsibility for dealing with the natural resources of Manitoba and with the application that was before the federal government for consideration lay primarily with the Minister of the Interior and the federal government. That fact was recognized by Premier Bracken himself in the communication which he addressed to the federal government. He had not expressed any desire to assume responsibility for granting the application of the private company; in fact, he had indicated in his letters that the responsibility for granting the application was solely that of the federal government. In his letter of March 22 he says:

I am writing you at this time to say that a satisfactory arrangement has been arrived at and that as soon as the details of our understanding are embodied in a contract between the Winnipeg Electric Company and the provincial government we shall be in a position to advise you that we shall withdraw our application for the lease of this site so as to leave the way open for such negotiation as may be necessary between the Winnipeg Electric Company and yourselves concerning the lease of the site.

The granting of the lease was to be made a matter of negotiation between the Winnipeg Electric Company and the federal government. Then he wrote again on April 25, as follows:

We are writing you now to advise you that a tentative contract between the Winnipeg Electric Company and the provincial government has been agreed upon, and that once you decide to lease the site to them you may disregard our application for the same. If for any reason, however, you should decide not to lease the site to the Winnipeg Electric Company, after all these negotiations, we desire our application to stand, since equally favourable terms must be secured to the provincial government from any other company securing the lease before we would relinquish our prior claim to it.

The question of where the responsibility lay agitated the minds of others. The Manitoba Free Press of May 26, the day after the Winnipeg delegation arrived in Ottawa, contained an editorial entitled "Where Responsibility Lies," the first paragraph of which contained the following:

The facts as to where power and responsibility lie in the granting of the right to make use of our natrual resources can be briefly stated. These resources belong to the crown as represented by the federal authority. Under the regulations, adopted by the Dominion government, the power of granting rights to cut timber or pulpwod, to develop mines or waterpowers, rests with the Minister of the Interior.

[Mr. Thorson.]

It is, of course, the right of anyone interested to make representations to the minister. He can listen to their representations and give effect to them if he chooses; but the decision is his and the responsibility is his.

Further on the editorial contains this statement:

Any claim which may be made by members of parliament from Manitoba that they have the right to decide is sheer pretention. They have neither a veto nor a directive power over the minister. What he does, he does on his own responsibility.

On his own responsibility to whom? His responsibility is not to any provincial government but to this parliament, of which we are the members most interested. If the minister is not responsible to the members of this parliament, to whom is he responsible? We were not seeking in any way to assert any right to decide the matter in our capacity as private members of parliament. Under our system of government decision with respect to matters of this nature rests with the cabinet who, I would remind the house, occupy the positions which they do because the people of Canada have seen fit to send more members to this side of the house than to the other. The responsibility for their decision in this matter, as in all executive matters, is to this house. Should we, who had been expressly asked for our opinions in the matter, have refused to give them? Each Manitoba member gave his opinion, I believe, in the honest and sincere discharge of the responsibilities which he in turn owed to the electors of his own constituency. I am not impugning the motives of a single Manitoba member. On June 2, 1928, the Free Press contained a further editorial entitled:

The Extent of the Bracken Government Responsibility.

The last paragraph of that editorial is as follows:

The Manitoba government, by its action in withdrawing its application, left the field clear for the Winnipeg Street Railway to press its application at Ottawa; but it did not thereby, as many of its critics insist, turn Seven Sisters falls over to the street railway. It has not even made recommendations to that effect. It is for Mr. Stewart to say whether the application is to be granted or not. His liberty of decision in this respect is not in the least limited by what has been done by the Bracken government.

Up to that time there had been no suggestion on the part of the Manitoba government that the Minister of the Interior necessarily must act as the government of Manitoba might desire him to do and the Minister of the Interior admitted in this house that the responsibility was his.

This, then, was the situation when we left Ottawa at the close of last session. We who were urging that the lease should not be granted were attempting to assist the government in discharging their responsibilities in accordance with what we thought was in the best interests of the constituencies we represented.

Upon my return to Winnipeg I made a public statement as to my stand in the matter on June 26, at a dinner given in my honour by some of my constituents. In order that I may place my stand on record I now read what I said on that occasion:

I would not be doing justice to my constituency or to myself if I failed to say a few words with regard to the Seven Sisters falls controversy and the stand which I took. On February 8, the 16 private members from Manitoba signed a letter addressed to the Hon. Charles Stewart requesting that the Seven Sisters power site be retained for the use of the province of Manitoba, notwithstanding the fact that there was a previous application from the Winnipeg Electric Company for the site. In so acting we were seeking to preserve what we all conceived to be the public interest of the province. The name of every single member from Manitoba, with the exception of the Hon. Robert Forke, is attached to that letter.

Naturally we were astonished when the agreement was signed between the province and the Winnipeg Electric Company and the application of the company was presented.

The responsibility for dealing with the application rested, as it still does, with Hon. Charles Stewart and the Dominion government. Mr. Stewart has adopted the practice in the past two years of consulting with the Manitoba members on matters affecting the disposal of natural resources in Manitoba. That policy worked well in the past, particularly in connection with the establishment of our great pulp and paper industry at Pine falls. That industry was established in spite of vigorous protests from several Winnipeg sources. I had an active share in the preliminary negotiations with the government here.

In pursuance of his practice Mr. Stewart asked the opinion of the Manitoba members as to what action should be taken on the application before him. We discussed the matter at several meetings, studied the question to the best of our ability with the information which was available to us.

On May 15, when we held a meeting at which we finally reached a decision, there were four members in favour of granting the application immediately and 10 against. I was one of the 10. Of the 10 members there were four Liberal, three Liberal Progressives, two Labour and one Progressive. Seven sit on the government side of the house and three with the opposition.

I mention these facts merely to show that the question was not one of party politics at Ottawa and it is not a political question in this city.

When I add that the city council is almost evenly divided on the matter and that six out of the 10 members from Winnipeg in the provincial legislature are in favour of delay and full consideration of the question, I think you will agree that there is a strong difference of opinion. I also suggest that it is possible for all these representatives elected by the people in various capacities to hold the views they do without being either fools or knaves. It seems the lot of public men to suffer abuse. I realize that fact, but I do not intend to deviate from the discharge of my responsibilities through fear of personal abuse and am prepared to submit to it, if necessary, in the discharge of my public duties.

I voted against the granting of the application because I believed it was not in the public interest to grant it. I did not wish to stand in the way of development, but unless it was demonstrated to me that it was necessary to grant this valuable site to private interests for development, I did not wish that to be done. I felt also that the grant of this site to the Winnipeg Electric Company would place the Winnipeg hydro at a serious disadvantage and would endanger its future.

At present we have an ideal situation in Winnipeg, two concerns handling power, one publicly, the other privately owned, each acting as a check on the other and each controlling a substantial block of power. The Winnipeg hydro has 138,000 horse-power at Point du Bois and the Winnipeg Electric 205,000 at Great falls and Pinawa.

I was not convinced, and am not now convinced, that the shortage of power is so acute that it is essential to turn the site over to a private concern. Granting the site to the Winnipeg Electric Company would leave our great power asset 30 per cent in the hands of the public and 70 per cent in private hands. That in my opinion, would be fraught with serious danger.

If there is no available market for power developed by the province, there is no immediate need for development by the Winnipeg Electric.

We are told that the present horse-power resources will be exhausted in two years. I doubt the accuracy of that statement. If the provincial government or the city of Winnipeg are not prepared to develop the Seven Sisters site then I am in favour of development along the following lines:

The Winnipeg hydro to develop Slave Falls and the Winnipeg Electric McArthur Falls. That would give 228,000 horse-power to the former and 259,000 horse-power to the latter. That process of development, even admitting the statement as to power shortage, would amply provide for power needs for at least six years and would maintain an even balance between the two systems, a consideration which I deem highly desirable.

By that time the development at Pine Falls must take place and an additional block of power amounting to 111,000 horse-power would be available.

The Seven Sisters site should be used as a reservoir from which the two competing systems could draw. In my opinion it would be profitable and sound business for the province to develop the Seven Sisters site in the future when the power situation requires it, with this situation in mind; either to go into the power business or preferably to sell to the competing systems in large blocks as required for distribution by them.

It is profitable for the Winnipeg Electric to do this now. Why should it not also be profitable for the province? This wholesale business would be profitable in itself and would serve as a profitable basis for extension of the system elsewhere if it should be deemed advisable.

We must remember that the province outside of Winnipeg has rights in the matter which must be considered.

The situation at Pinawa could be easily met by allotting to the Winnipeg Electric a reasonable block of power in return for closing up the Pinawa channel. In my opinion the Winnipeg Electric would be glad to come to such an arrangement if the control of Seven Sisters was in the hands of the province.

We have had many battles in the past over the Winnipeg river and we have reaped the rewards of vigilance and foresight. Waterpower is too vital an asset to hand over without careful deliberation and I see nothing but value in a thorough airing of this controversy.

It is not pleasant for those around whom it centres, but that is of minor importance. The essential thing it that the best interests of the public must be safeguarded.

I have stated very briefly my reasons for taking the stand which I did and I see no cause for receding from it. It was no easy matter to come to a decision in view of the differences of opinion, the pressure that was brought to bear and the threats that were made. Each member, when he voted as he did, took the responsibility for his decision on his own shoulders. I am not seeking to have this meeting endorse my views. Mr. Robson has his views on the matter and many of my best friends are opposed to me on this question. They are entitled to their opinions.

I am not vain enough to claim infallibility of judgment. Time alone will tell whether my attitude was right or wrong. I think it was right and I shall face the responsibility for my actions when the time comes.

Then came the natural resources agreement between the Manitoba government and the Dominion government. I will deal with the natural resources agreement a little later. Personally I cannot complain that I was not consulted by the Minister of the Interior. It is true that I was not consulted until after the natural resources agreement had been arrived at, but subsequently to the date of that agreement I was consulted on several occasions. I think it is only fair to the minister to say that. He saw me on July 6, if I remember correctly, but he could not have taken away from the interview we had then the belief that my opposition had weakened in any way. He saw several of us again in Winnipeg in the month of August, and my impression of that meeting was that there had been no change in the attitude of the members present at that meeting with the possible exception of one member. I had not altered in any manner the position which I had previously taken regarding this matter. On September 5, learning that it was likely that the matter would be finally dealt with by the cabinet, I wired to Ottawa stating that the hon. member for South Winnipeg (Mr. McDiarmid) and myself were strongly opposed to the granting of the lease, and asking for an opportunity to appear before the cabinet to present our views. On September 6 I received a reply stating that the matter would come before the cabinet two days later, and I left Winnipeg on the evening of the day I received that reply. On September 8 I appeared before those members of the cabinet who were in Ottawa at the time and urged our opposition to the granting of the lease.

After the natural resources agreement was entered into between the province of Manitoba and the Dominion of Canada the question of the responsibility for administering the resources of Manitoba took on a different complexion. Premier Bracken, who a short time before had requested that the Seven Sisters falls power site should be reserved for the province of Manitoba, now insisted that under the terms of the natural resources agreement, and more particularly clause 6 of that agreement, the Dominion government should grant the lease to the private company immediately. I believe there was quite a lengthy correspondence between the provincial government and federal government with regard to the subject; in fact the correspondence amounted almost to a barrage. Before the lease was signed the federal government insisted on an order in council from the Manitoba government, and the Manitoba government finally passed an order in council directing the federal government to issue the lease as set out therein. Finally the lease was granted at the insistence of Premier Bracken.

In putting forward the opposition which I did both before and after the natural resources agreement was entered into, I was acting in what I believed to be the best interests of the people who had sent me to parliament. I was convinced that the majority of the electors in my constituency were opposed to the granting of this lease to private interests. I took the view that so long as the lease was not actually signed there was still hope of saving the Seven Sisters falls from going into private hands—but stronger forces prevailed.

Mr. McGIBBON: May I ask the hon. member what his stand is to-day?

Mr. THORSON: I do not disapprove of the natural resources agreement; I think it is a good agreement in so far as the province of Manitoba is concerned. I agree that it is high time that the question of responsibility for the administration of the natural resources

of the province of Manitoba should be definitely settled and one authority given control over them.

However, I have this to say in connection with the natural resources agreement: there has been a fundamental change in the policy of this government as to the administration of the natural resources of the province of Manitoba. Prior to the making of the natural resources agreement in July last, the federal government took the view that the responsibility for administering the natural resources lay with it, and that it was not bound by the wishes of the Manitoba government. It did not follow in all respects the wishes of the Manitoba government in connection with the matter. An outstanding example of that is to be found in the manner in which the Minister of the Interior and the federal government dealt with the pulp and paper proposition of two years ago, to which I referred in my speech at Winnipeg. The federal government did not accept the advice of the provincial government in respect of that transaction and it had never formally recognized the right of the provincial government to dictate to it what its policy of administration of the resources of the province should be. It had of course followed the policy of consulting the province of Manitoba in respect of the larger matters but it had reserved the right of deciding for itself whether it would follow the wishes of the province or not.

When the natural resources agreement was entered into there was a vital change in the policy that had been followed prior to that time; for, in pursuance of clause 6 of the agreement, the federal government has constituted itself merely the agent of the provincial government to administer the resources according to the wishes of the provincial government and it has definitely and formally recognized its position as a trustee. Perhaps this is as it should be, but I have this criticism to make: the first five clauses of the natural resources agreement carry with them the implication that they shall not go into effect until they have been ratified by parliament. I should perhaps state that in a different way—that the final transfer of the resources shall not be effective until the findings of the commission set up have been ratified by parliament, but there is no proviso of that sort with regard to clause 6 of the agreement. Immediately and automatically on the making of that agreement, the responsibility of the Dominion government for administering the resources is changed. I have this criticism to make, namely, that the change in policy was so vital that it should not have become effective until ratified by parliament, and that a rider should have been attached to clause 6 of the natural resources agreement to the effect that until the fundamental change in the policy of administering the resources had been approved by parliament, the change of policy indicated by clause 6 should not go into effect.

In view of the differences of opinion that existed in this house; in view of the differences of opinion that existed in Manitoba; in view of the undertaking which the Minister of the Interior (Mr. Stewart) gave on the floor of this house, and in view of the developments that have taken place, I think it would have been a wise course to follow to take the view that before this fundamental change in the policy of administering the natural resources of Manitoba should come into effect, it should be ratified by parliament. That would have been in the interests of all concerned here; it would certainly have been in the interests of the government of Manitoba which finds itself in such difficulties to-day.

I have been very glad to associate myself with the hon. member for Winnipeg North Centre (Mr. Woodsworth), the hon. member for North Winnipeg (Mr. Heaps), and all the other members of this house who opposed the granting of the lease to private interests; but notwithstanding my opposition to the transaction I cannot agree with the hon. member for Winnipeg North Centre, the mover of this resolution, as to the terms of his resolution. The argument of the Prime Minister (Mr. Mackenzie King) on the resolution appears to me almost unanswerable. It is impossible, in my opinion, to assign to parliament the executive functions of government. The business of administration could not go on if every disposal of property should, before becoming effective, be ratified by parliament. There is a further reason for my objection to the general terms of the resolution. I do not believe we should endeavour in this country unduly to restrict the executive, nor do I think we should attempt to develop a water-tight sytem of compartments of responsibility. It is of the essence of our constitution that it should be elastic; that it should be based upon confidence and trust, and that as few restrictions as possible should be imposed upon those responsible for government. The electors of Canada send us to parliament with wide powers; having expressed their confidence in us, the will of the electors also determines from which party in this house the cabinet shall be formed and who shall be charged with the responsibility

for executive acts. The resolution seeks to remove from the jurisdiction of the executive powers which are not legislative but executive. I do not believe that in the long run, much as it would have assisted us in this particular case, it would be in the interest of sound government to adopt the resolution. I think the hon. member for Winnipeg North Centre is to be congratulated upon having made this motion and upon having discussed this very important question here. It will have served the very useful purpose of reminding the government of its responsibility to parliament. While executive acts must be performed by those appointed for the purpose, they are responsible for their executive acts to parliament. No cabinet in any British country should be allowed to forget for one moment that responsibility. I have fought the Seven Sisters falls power lease to the best of my ability; I have been opposed to the granting of the lease from the beginning to the end, but for the reasons I have given I cannot see my way clear to approving the resolution that is now before this house.

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, like the hon. member for Lisgar (Mr. Brown) I belong to the lesser group of the federal members from Manitoba who had under consideration last spring the matter of the Seven Sisters power lease in that province. For that reason I think it is up to me, as it were, to give the reasons for my stand in the house, and perhaps to mention one or two other matters relevant thereto.

The very able and comprehensive speech of the Prime Minister in this house yesterday afternoon surely made it plain that it was impossible for the house to adopt the resolution of the hon. member for Winnipeg North Centre (Mr. Woodsworth), and I shall not pause to speak on that point except to remind hon. members that should the house adopt such a resolution, and the government find itself thereby obligated to come to parliament for approval of every such agreement, not an acre of hay land, not a section of pasture, not even a cord of pulpwood could be disposed of in the Dominion of Canada until the agreement had first been ratified by this House of Commons. I do not think, however, that the purpose of the resolution really was to test the feeling of the house on the principle there involved. It seemed to me that it was being used rather as a weapon of attack and censure on the hon. Minister of the Interior (Mr. Stewart). I sat here and listened to a rather savage attack from hon. members opposite on the hon. minister, and I was reminded during the course of their remarks of the story of Abraham Lincoln's deacon, who being caught one dark night in a heavy thunderstorm, cried, "Oh, Lord, give us a little more light and a little less noise." It was a two-sided attack, as it were. The hon. member for Winnipeg North Centre condemned the Minister of the Interior for having released the Seven Sisters power site without first obtaining the sanction of the federal members from Manitoba.

Mr. WOODSWORTH: After having given the promise that he would do so.

Mr. STEWART (Edmonton): I think it is pretty nearly time my hon. friend was corrected. I did not give a direct promise that I would consult every member and have every member satisfied, as my hon. friend will see if he will look up my words. In speaking to the house, I said that it was an utter impossibility to satisfy everybody, and I should think my hon. friend must have learned that by this time.

Mr. HOWDEN: A little later the minister was soundly taken to task by the hon. leader of the opposition (Mr. Bennett) for having entered into an agreement with the province of Manitoba whereby that province could direct the disposal of its natural resources. Speaking for myself, I cannot remember the Minister of the Interior having given any undertaking to the members representing Manitoba that he would not release the Seven Sisters power site without first obtaining their permission, as it were, but rather that he would inform us of any change of policy and let us know before a final release of this power site was made. That much is certain, and that he did, with possibly one or two exceptions.

With regard to the charge of the hon. leader of the opposition, I would like to point out this fact, that if Manitoba had had control of her natural resources, as she should have years ago, there would have been no obligation on the federal members of this house from Manitoba to act as monitors, as it were, for the government of that province. Had Manitoba had control of her natural resources, the question would not have come before this federal house at all. Members from Manitoba have urged repeatedly that the natural resources be returned to that province, but yet when an occasion arises, when the province of Manitoba seeks to direct the disposal of one of her natural resources in connection with a project which she deems to be for the benefit of the province, the federal

members say: No, Manitoba is not right; she is either ignorant of her responsibility to her citizens, or worse, and is not to be trusted in this matter.

The attitude that was taken by myself, and I am sure by some of those who were with me, was that this was a provincial question. As I said before, if Manitoba had had control of her natural resources, as she should have had, the question would not have come before this house at all. We were urging that the natural resources be returned to the province, and for that reason I took the attitude that the matter might very well be left to the discretion of the province. But quite apart from that, and although it has been stated in this house that any contract that might have been made with a private power company was not worthy of consideration here, still that did have some influence on my attitude and action. I would like to state for the information of the house a few facts in connection with this matter:

1. Manitoba was threatened with a shortage of industrial power.

2. Manitoba could not consistently finance the development of the Seven Sisters power reach.

3. Manitoba could not, under the most favourable circumstances, produce power as cheaply as arranged for under the contract with a private power company.

4. The Manitoba government, the city council of Winnipeg, the Winnipeg board of trade, the trades and labour council, and all the big business and industrial interests, together with a number of the rural municipalities, were in favour of the immediate development of the Seven Sisters falls site, and so expressed themselves on many occasions.

Mr. WOODSWORTH: May I suggest that, so far as the trades and labour council is concerned, that is hardly correct.

Mr. HOWDEN: Two representatives of the trades and labour council came to Ottawa, and they stated definitely that they represented some fourteen or fifteen branches of that council.

Mr. WOODSWORTH: Their statements were afterwards repudiated by the council.

Mr. HOWDEN: I cannot vouch for that. I am giving that information for what it is worth. To continue:

5. The Pinawa channel was leased to the Winnipeg Electric Company in perpetuity, and so was permanently alienated to Manitoba. The bearing of that will appear in the next clause.

6. The power on the Seven Sisters site would be augmented by 50,000 horse-power by the closing of the Pinawa channel. This could not have been done if the power site was developed by the province of Manitoba without securing the rights of the Winnipeg Electric Company over the Pinawa channel.

7. The Seven Sisters site is not lost to the province of Manitoba, but rather it is rented at a good rental for thirty years to a firm which is in a position to carry on an immediate development, and which is under agreement to supply Manitoba with as much or as little power as she may require up to 30,000 horse-power, at a better price than that at which the province could hope to develop power itself. This relieves the province of the onus and responsibility of the distribution of the balance of the power developed at this site.

8. The Manitoba provincial hydro, a government-owned utility, with a very considerable investment, has been in existence for some dozen years, and has supplied two or three towns and some fifty farmers with electricity, and incidentally has lost about $1,750,000 in the interval.

I mention this merely by way of showing that naturally the government of Manitoba was a little bit chary of entering into a deal which would cost it in the vicinity of thirty million dollars when its experience of public ownership had been so unsatisfactory.

I submit, Mr. Speaker, that the disposition of the Seven Sisters power site was of more vital interest to the government of Manitoba than probably any issue that had come before it since its accession to office. The government believed that the prosperity and the very industrial life of the province depended on the proper development of that power. That is why it was so insistent that the contract should be entered into.

For these reasons, I felt obliged to support the attitude of the government of Manitoba, and so when this matter was brought before the Manitoba group in this house, I moved the amendment that the attitude of this group was in accord with the action of the provincial government. Now, Mr. Speaker, I have explained my attitude.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. G. R. GEARY (South Toronto): I quite agree with this much of what was said by the hon. member for Winnipeg South Centre (Mr. Thorson), that if nothing else

results from this debate, at all events it will serve as a reminder to the government that in these important matters it should not proceed by order in council but should rather trust to the sense of parliament; it should trust to the declaration of parliament rather than legislate behind the closed doors, so to speak, of order in council. When my hon. friend says that, when he says that the government will be reminded of this, I take it he is perfectly aware of and subscribes to this state of facts, that the government has pursued such a course of action in this as well as in other matters and therefore needs reminding that it should hesitate to continue in the course it has adopted and has pursued so long, of legislating by order in council rather than by the free will of this parliament.

As I look through the correspondence which has been tabled, one thing stands out, and that is that the Minister of the Interior (Mr. Stewart) felt enough concern about this matter to realize that there would be no satisfaction in any way of dealing with it unless that way were by means of legislation. He evidently had communicated these views to Mr. Bracken of Manitoba, because there appears on the file a letter in which Mr. Bracken seeks to assure the Minister of the Interior that as a matter of fact the question of the Seven Sisters falls has received attention in the provincial legislature. And to substantiate this he goes to the trouble of transcribing newspaper reports of what different members of the legislature of Manitoba said. This was not action on the part of the legislature of Manitoba; it was simply Mr. Bracken's method of trying to assuage certain fears in the breast of the Minister of the Interior as to the attitude of the legislature of that province towards what was proposed to be done in this instance. The minister had a perfect right to be concerned about what the legislature of Manitoba thought. It is a new venture for the province of Manitoba to deal with natural resources, and of all natural resources probably the most important, so far as our experience in this house goes, has been that of water-powers. So, as I observe, I think the minister was perfectly right to feel some concern about what the legislature of Manitoba thought of the alienation of water powers. But the provincial legislature had never had an opportunity to decide upon what should be done in regard to the granting of this particular water power, the Seven Sisters falls, nor for that matter of any other water power which is included in the general term natural resources. And if the Minister of the Interior and the government of which he is a member had followed up that natural concern of theirs with some action we should have been saved all this trouble. Had they said to the prime minister of Manitoba, "Very well, your letter is good up to a certain point; even an order in council of your government, the executive, is good to a certain extent; but that is not enough for us to act upon. We prefer to have the firm declaration of the legislature itself, so that we may be assured that what we propose to do at the request of your government is what really suits the people, the electors, those who have a right to decide these great questions in your province"—if the minister had taken this stand it would have saved this trouble. It seems to me, therefore, that the manner of dealing with the matter was unsatisfactory. The matter should have been reserved to be dealt with, not by the government in council, behind the shelter of their doors and their walls, but in the broad open, where all the legislative acts could be laid before the people, who are the ultimate court in the matter, and who could decide whether or not those acts were proper.

Mr. ADSHEAD: Does that remark apply to the province of Alberta as well?

Mr. GEARY: I do not know to what the hon. member refers.

Mr. ADSHEAD: Should the granting of a water power license in Alberta be submitted to its legislature before being granted to a private corporation?

Mr. GEARY: Probably I shall have something to say in answer to my hon. friend, but the question is not relevant at this particular moment; indeed, it is not specific enough.

Mr. ADSHEAD: The Minister of the Interior granted to the Calgary Power Company a license to develop water power by consent of the premier of Alberta without the legislative assembly taking any action.

Mr. GEARY: I am not aware of that. As the hon. member for Winnipeg South Centre also properly observed, the agreement which was come to early in July is somewhat peculiar. It has six or seven sub-heads, and of all these sub-heads there is only one which does not depend for ratification upon action of the legislature of the province and of this Dominion parliament; and that particular subsection is one which enables the province of Manitoba, through its government, to dictate to this government of Canada just what should be done in regard to the alienation of natural resources. I do not for the life of me see why all the other questions should be subject to

ratification by legislative action and this one question regarding alienation should be left wide open for the government to deal with. The whole agreement may be set aside because the legislature of Manitoba and this parliament do not happen to agree on what is done; but in the meantime the resources will have been alienated by the Dominion government, acting on the advice of the Manitoba government. I should think it would have been better for the government to pursue the same policy throughout rather than to have left that one matter subject to the whims of the government of Manitoba. Moreover, the Dominion government of the day not only felt some concern about this, but they felt some trepidation; the government felt that their action would be severely criticized, because they took very special care to see that they should be protected in every possible way. They were not satisfied with a letter; they were not satisfied with an interview; they insisted in this particular instance that there should be an order in council from the Manitoba government. That is far different from what was done in the matter we discussed the other day with respect to the waters of Niagara river. There the government entered into a treaty, concluded arrangements, signed the convention and protocol, and submitted to this house for ratification an agreement for the preservation of the scenic beauty of Niagara river; this they did without doing more at most than receiving a letter from the Premier of Ontario to the effect that the proceedings they were taking would be satisfactory to him. There, I suppose, it was felt that because the preservation of the scenic beauty of Niagara is a matter strongly favoured by the public, they would be safe in the course they took. In this case, however, it seems to me that the government felt that they were treading on dangerous ground and had to protect themselves in every possible way; they did not follow the ordinary course of receiving merely a letter from the prime minister of Manitoba, but sought to fortify themselves by getting no less than an order in council.

It must be remembered, Mr. Speaker, that this whole question of water-powers is quite distinct from the ordinary course of dealing with natural resources. The Prime Minister went to some pains to show how many individual matters relating to public lands would be required to be considered by this parliament if we adopted legislation necessitating that before such orders in council went into effect they should be approved by the Dominion parliament, but these questions of water-powers stand on an entirely different footing. Fresh in our minds, as having occurred less than two years ago, is the attempt to force through this house a matter affecting the water-powers of the Ottawa river, and fresh in our minds also is the fight waged in that regard and the temper of the house then so clearly shown. I take it from that discussion that the opinion of the house was that the natural monopolies of a country should be conserved for the people of the country and should not be diverted to private sources for private gain. With that expression of the feeling of this house in their minds the government of the day must have known that in dealing with a water-power, and especially one of such importance as the Seven Sisters development, they should have consulted the people of the province concerned not through their representatives in this house but through the legislature of the province, but now they seek to wash their hands of the matter by saying they simply handed the site over to the province of Manitoba. I say that is not a valid defence; that is not the way to get out of the difficulty. This government must share the onus with the government of Manitoba for what has happened with regard to the Seven Sisters falls.

Apparently the Minister of the Interior inaugurated a procedure in dealing with these matters by which he consulted with the members for the different constituencies of the province of Manitoba, and the hon. gentleman who preceded me said that had been a very satisfactory method. Has it turned out to be quite satisfactory? I am not going to weary the house by going into these things in detail, but I would refer to the passage from Hansard already cited, in which the Minister of the Interior gave his unequivocal, direct and final assurance in regard to this license. He said:

> I may assure my hon. friend that until that difference of opinion is settled I am not going to issue any license for that water-power.

I presume he meant the difference of opinion as to whether this development should be undertaken by a public or a private enterprise. Later on he said—

Mr. STEWART (Edmonton): May I interject a correction? I had not in mind the interpretation my hon. friend has taken from my words; my difficulty was that the members for Manitoba were divided on the question, and that was the difference of opinion to which I had reference.

Mr. GEARY: Before that my hon. friend said:

> . . . . and now a very grave difference of opinion exists with respect to the disposition of the Seven Sisters falls.

I understand now from the minister that he was referring to the difference between the fourteen members from Manitoba, but as far as I know these members were practically unanimous, so where was the difference of opinion?

Mr. STEWART (Edmonton): May I again correct my hon. friend? At no time were those members unanimous; no one has made that assertion.

Mr. GEARY: There was not a great deal of difference of opinion.

Mr. WOODSWORTH: What about the round robin signed by everyone except the Minister of Immigration?

Mr. STEWART (Edmonton): I have it before me, and it is a clear indication that my business was to ascertain whether the city of Winnipeg would have the power or whether the provincial government would have it, and the round robin distinctly stated that if neither of these bodies wanted it, then their objection was removed. Later on the question of appeal to the legislature enters, or I do not understand the round robin.

Mr. GEARY: I will stand by Hansard, and I quote from page 3853 of Hansard for June 6, 1928:

> I am going to say very frankly here and now that notwithstanding the fact that at present the government have adopted a line of action with respect to the Seven Sisters falls—

I presume that means the Manitoba government.

> —I am not in any particular hurry to come to any decision about that matter, largely because of the fact that the members of this house have expressed very decided opinions about the matter as federal members. I am not very much disturbed by the statement that there must be immediate action; I have investigated the matter pretty well and I think there is plenty of time to give ample consideration to this matter before it is decided. In order to settle the question, and in order to prevent any delay, I do not see any reason why we should not await the action of the city council of Winnipeg and of the provincial government, which must take the responsibility, before a final decision is made here.

I stand by Hansard on that; the minister knew action was to be taken by the city council of Winnipeg and by the provincial government; he knew there was a feeling among the members from Manitoba in regard to this matter, which I thought was fairly unanimous.

Mr. BEAUBIEN: May I interrupt for a moment? Quite a few of the members from Manitoba were opposed to the proposition while other members were in favour of it. I think they stood about half and half, or nearly so.

Mr. GEARY: A round robin was signed. I was not at the conference, so someone else can take up that point, but if the differences of opinion referred to were those existing among the fourteen members from Manitoba as now stated by the Minister of the Interior I do not read Hansard aright.

Mr. HOWDEN: Does not the hon. member think possibly this was taken out of the hands of the minister by the agreement reached between this government and the province of Manitoba?

Mr. GEARY: I think that begs the whole question, and I may pass it over because it is not pertinent to what I have in mind. I am not seeking to attack the Minister of the Interior except as the victim of the system which forced him to be the instrument of a government which did not do the right thing.

I do not intend to carry that further, but my point is that the government knew they were dealing with a matter which was of grave concern to all public bodies, to the city council of Winnipeg and to the entire province; knowing this, and having fresh in their minds the temper of this house together with the feeling of at least some of the citizens of Winnipeg, they should have taken steps to see that some parliamentary act was taken by the representatives of the people concerned before the Seven Sisters development was put under private ownership. I was reading what the minister said; that was on June 6, in reply to the leader of the opposition. Sometimes it seems to me that one overworks a quotation; I remember saying this before, but it seems to me that "the funeral baked meats were scarcely cold" before the Minister of the Interior sat down and wrote a letter to Mr. Bracken in which he used words to this effect: "Apparently this is a matter of great concern to Winnipeg and to this house, because yesterday it was brought up by the leader of the opposition, but I want to assure you that we have decided to grant this permit. However, for the sake of appeasing these gentlemen," probably the round robin gentlemen, for all I know, "we will let it rest a month or two. Perhaps the clouds will blow away; perhaps we will have a little easier task, but there is no great hurry so we will just let it rest a month or two." That was immediately after the promise of June 6 was given in this house

Mr. STEWART (Edmonton): Would my hon. friend permit a short statement? I do not wish to interrupt him, because I think he is eminently fair—

An hon. MEMBER: You are taking up his time.

Mr. STEWART (Edmonton): In that case I will refrain, but I will say that what I had in mind was to ascertain whether or not these divergent interests could be reconciled, to be sure that the city of Winnipeg did not want this power, and to be sure that the Manitoba government—both mentioned by the hon. member who spoke before—were consulted.

Mr. GEARY: I will read this letter once more, and then the house may draw its conclusion from what the hon. minister has said and what I say. The letter reads as follows:

Ottawa, June 7, 1928.

Dear Mr. Bracken,

I have your letter of the 31st ultimo re the Seven Sisters falls lease, together with the memorandum of statements made in your legislature about the matter. As the matter is one that has created a great deal of interest in Manitoba and last night was made the matter of comment in the house by the hon. Mr. Bennett and, in view of the fact that delay of a month or so will not injure the prospects of this development, I think it wise on my part to delay the issuing of the license for that time.

However, I note you have not changed your position from that taken in your former letter.

Yours,

Charles Stewart.

I submit, Mr. Speaker, that the whole method of dealing with these matters has been wrong, and that we should be on the safe side in respect of an important matter like water powers by first obtaining the judgment of this house. The right hon. the Prime Minister said that the Navigable Waters Protection Act contained a provision which permitted the annulment of any permit issued under that act. Such a provision stands in the face of the men who have put money into an enterprise, who obtain a permit from the department and they are always faced with the fact that such permit may be annnulled ten years afterwards, but the whole thing is so unfair that it has never been acted upon and I cannot imagine a case where it would be acted upon. I intend to move an amendment whereby such important matters shall be returned to the house for its ratification before they go into effect. The Minister of the Interior did not think that a delay of a month or so would make any difference in a matter of this kind, indeed I submit it will not make any difference if there is a delay of six months or a year until such matters are ratified by the parliament of Canada. No harm will be done but only good, because the people will see how these major resources, these water powers, are being dealt with by the government of the day. We feel that the provision proposed to be inserted in the Navigable Waters Protection Act should properly be in that act. I agree with the Prime Minister when he says that we cannot clog up the business in this house by passing on every little transaction. We do not insist that every homestead and that sort of thing should be returned to this house to get the ratification of parliament, and until that ratification had been given should have no effect. I do not think that is necessary, and in that regard I think the resolution of the hon. member for Winnipeg North Centre (Mr. Woodsworth) goes too far, although the principle is good if applied in the proper way. When a water-power site like this one is given away it is diverting from the people of the country their rightful heritage. It is the natural run of water as nature left it and no private person should have that to the exclusion of benefits which should accrue to the people. We could split the resolution at that point, and I propose to move an amendment which will have that effect.

I judge from the utterances of the Prime Minister that we are on the eve of seeing a permit granted to the Beauharnois people. He said that the engineers must certify that any development will not interfere with navigation. Before we finished the session last year we had a discussion on the St. Lawrence waterway, and this much came from that discussion: that we must consult the premiers of the two provinces concerned, Quebec and Ontario, and we must seek to have reconciled the conflicting views of the engineers in regard to the development. These engineers have not met; they have not reconciled those conflicting views, and in the absence of such reconciliation, and in the absence of those engineers saying the development can be proceeded with, I think we are making a grave error in doing anything with the power sites on the St. Lawrence river until a full agreement has been arrived at by the engineers. These matters should be settled with regard to the whole stretch from lake Ontario to Montreal before we attempt to interfere with one part of it. To my mind, it will only spell disaster to deal with it piecemeal; to my mind there is no surer way of ruining the St. Lawrence as a navigation proposition than to deal with one

part of it now and close the matter, so to speak, for all time to come. We will have a very difficult time trying to fit navigation into the proposed development of water power.

Feeling as I do about the resolution, I desire to move an amendment to it. I have attempted to follow in this amendment the reasoning which induced Your Honour to declare the amendment of the hon. member for Toronto Northwest (Mr. Church) out of order. This is a relevant amendment and one which follows very closely the subject matter of the resolution that is before the house. I, therefore, move:

> That all the words in the motion after the word "house" be struck out and the following substituted therefor:
> The present method of disposing of the water-powers which form part of the natural resources under the control of the federal government is unsatisfactory, and that the whole question of the disposal of such water-powers should be referred to a committee of this house for inquiry and report.

Mr. RALSTON: I rise to a point of order. I submit, Mr. Speaker, that the so-called amendment is not in fact an amendment at all; it is a new motion which the hon. member is endeavouring to get before this house, and of which he has given this house no notice whatever and in connection with which hon. members have had no time to form an opinion. The resolution to which this is alleged to be an amendment is one which has to do with all natural resources; this amendment is confined to water-powers. It is not an amendment within the terms of the rules of the house. If the resolution now before this house should be defeated there would still be an opportunity to move the resolution which is now the subject of the amendment. The very object of having matters come up by way of an amendment is that the whole matter may be disposed of and there will not be two debates on the same thing. I submit that this is a new motion and does not come within the relevancy of the rules and, therefore, it should not be put to the house.

Mr. GUTHRIE: I think I am within the judgment of the house when I say that if this amendment is out of order as applied to this motion, it is impossible to draft an amendment to a motion. The opposition have rights in this matter and we intend to insist upon them. The motion deals with all natural resources in Canada. The amendment seeks to limit it to a single natural resource. If a proposal comes before the house to build a hundred miles of railway, an amendment may come before it to limit the proposal to seventy-five miles of railway. It is merely limiting the scope of the original question. The whole subject of the amendment deals with the subject of the motion, and if the amendment is out of order, I submit it is impossible to amend any motion moved in the house.

Mr. STEWART (Edmonton): Might we be accorded the courtesy of being given a copy of the amendment? No one on this side of the house has one and it is rather a strange procedure that a motion of this character should be made without our being given an opportunity to see it.

Mr. DUNNING: Might I direct your attention, Mr. Speaker, to another feature which I deem of some importance? The acting leader of the opposition (Mr. Guthrie) discussed the amendment from the point of view of reducing, as the amendment seeks to do, the application of the resolution from natural resources as a whole to certain natural resources, and he argued that that proposed reduction would be a proper amendment. Even if that were so, the amendment seeks also to change absolutely the intention of the resolution. The intention of the resolution is quite clear; it is to prevent any disposition of any natural resource until such disposition is ratified by parliament. The amendment of the hon. member for South Toronto (Mr. Geary) deals only with some natural resources, but in addition it seeks to have the matter examined by a committee of the house.

Some hon. MEMBERS: No, no.

Mr. DUNNING: Perhaps, Mr. Speaker, you will be the person who will say yes or no. Hon. gentlemen opposite have no more the determining of this point than I have, and they might at least do me the courtesy of permitting me to make my argument in peace. The amendment is in effect a direct negative to the original resolution because the latter seeks to lay down a definite principle that natural resources shall not be alienated save by the vote of parliament. The amendment negatives that completely, and says merely that the matter of disposition of water-power —I believe that is it; I was not supplied with a copy—shall be made the subject of investigation by a committee of the house. It is a direct negative to the motion before us.

Mr. GARLAND (Bow River): With reference to just one point raised by the Minister of Railways (Mr. Dunning), I understand he contends that because it is now proposed to submit a part of the original resolution to a committee, the amendment is therefore out

of order, and in effect, a negative of the original motion. The hon. gentleman knows very well it is a common practice on the part of the house to pass upon and accept references of motions placed before it for decision to a committee without expressing itself upon the motions. I take it that the amendment is for the purpose, first of all, of circumscribing the original motion.

Mr. DUNNING: It eliminates it. My hon. friend, I presume, has not a copy of the amendment?

Mr. GARLAND (Bow River): I said, as I understood it.

Mr. DUNNING: As I read it, the amendment eliminates all of the original resolution.

Some hon. MEMBERS: No.

Mr. GARLAND (Bow River): The amendment as I understand it eliminates all the resources referred to excepting one. To that extent it has narrowed the scope of the original motion down to dealing with one natural resource alone. It submits that this one resource and the questions contingent thereupon shall be referred to a committee. I have in my hands the rules of the house with respect to questions of that kind. As I understand the rules, one may amend a motion of this character in the form submitted by the hon. member for South Toronto (Mr. Geary). From my reading of the resolution it would appear to me that the amendment is quite in order.

Mr. DUNNING: Will my hon. friend quote the rule?

Mr. GARLAND (Bow River): Section 395 of Beauchesne's Parliamentary Rules and Forms reads:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

The amendment is quite in order in so far as that regulation goes.

Mr. CAHILL: Will my hon. friend quote the amendment?

Mr. GARLAND (Bow River): I have heard it, and made some notations of its contents. I have not the amendment before me. The hon. member for Pontiac (Mr. Cahill) is up to his usual clever little tricks. He learned them so efficiently during that famous naval debate when he was one of the leaders of that gallant little ginger group of the Liberal party. I do not happen to have the amendment before me, but I am quite satisfied it is as I have stated it, and I am so informed by the mover.

Mr. CAHILL: Not as I heard it.

Mr. GARLAND (Bow River): Section 395 continues:

> Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

Mr. DUNNING: That is the point.

Mr. GARLAND (Bow River): I contend that the amendment is intelligible and is consistent with the original motion. All it does is to circumscribe the original motion, narrowdown its scope and then to suggest that it be referred by the house to a committee for further consideration.

Mr. CANNON: The amendment, if I understand it rightly, seeks two purposes, first, that the subject matter should be restricted to water-powers instead of covering all natural resources. Therefore there is no doubt it is a restriction on the original resolution. But the other object sought by the amendment is that the matter be referred to a special committee, and that is where I think the amendment is out of order because, according to Beauchesne, section 397:

> An amendment must not raise any question which by the rules of the house can only be raised by a distinct motion after notice.

The appointment of a special committee is evidently a motion which needs notice.

Mr. MANION: I have listened with a good deal of interest to the arguments regarding this amendment. I also listened with a good deal of interest to the argument regarding the other amendment. The other amendment moved by the hon. member for Toronto Northwest (Mr. Church) was complained of because it was too large; because it went too far. This one is complained of because it is too small; because it does does not go far enough. I do not know how we can satisfy our hon. friend across the way. They also complain that they were not supplied with copies of the amendment. They have two or three copies over there and their arguments are not very strong.

The Minister of Railways (Mr. Dunning) says that this is a negative of the motion. It is nothing of the sort; it is a positive of the motion in a concentrated form. One thing we must remember regarding our whole parliamentary institutions is the spirit of a motion submitted to the house. The whole spirit of the speech made by the hon. member for Winnipeg North Centre (Mr. Woodsworth) was a complaint regarding the Seven Sisters falls. The amendment distinctly deals with

that complaint; it concentrates upon the one fact dealt with by the hon. member who introduced the original resolution. I think we have absolutely boiled the resolution down to what it really deals with, and I submit that if there is a possibility of moving an amendment that would apply to this resolution at all, that amendment is now before the house.

Mr. ELLIOTT: Might I say a word in answer to my hon. friend from Fort Willian (Mr. Manion)? The motion moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth), as it appears on the order paper, reads:

> That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

The whole discussion that has taken place in regard to this resolution is as to whether or not the supreme power of parliament should be invoked in a matter of this kind—not the question of submitting it to a committee—

Mr. GUTHRIE: That will be discussed hereafter.

Mr. ELLIOTT: —but the question whether parliament should pass on the alienation of some of the natural resources.

Mr. MANION: And parliament does all its work by committees.

Mr. ELLIOTT: Perhaps my hon. friend will allow me. I would quite agree with what has been said by the acting leader of the opposition (Mr. Guthrie) and the hon. member for Bow River (Mr. Garland) if the present amendment said that the present method was unsatisfactory, and that the disposal of water-powers, not the natural resources, but part of the natural resources, should not be effective until ratified by parliament. But that is not what it says. It takes an entirely different tack from that pursued during the whole course of this discussion, and instead of saying. "until ratified by parliament," it goes back to the other amendment which was proposed before, and which was ruled out of order, and says, "until passed upon by a committee of parliament." In other words, it is not part of the original resolution, and, under paragraph 397, I submit that it is entirely out of order in the same way that the other amendment was.

Mr. STEVENS: I would like to direct the attention of Your Honour and of the house to two rules found in Beauchesne's Parliamentary Rules and Forms. First, I would draw attention to section 422, which deals with the question of relevancy, and reads as follows:

> The law on the relevancy of amendments is that if they are on the same subject-matter with the original motion, they are admissible, but not when foreign thereto.

I pause to point out that the amendment deals with the natural resources, limited in this case to water-powers, whereas the main motion deals with the natural resources, without any definition as to which natural resources are referred to.

I now ask your Honour to turn to section 406, which deals with the matter referred to by previous speakers, and reads as follows:

> The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration, must either vote against it or abstain from voting thereon, or to present to the house an alternative proposition either wholly or partially opposed to the original question. This may be effected by moving to omit all the words of the question after the first word, "That", and to substitute in their place other words of a different import. In that case the debate that follows is not restricted to the amendment, but includes the motives of the amendment and of the motion, both matters being under the consideration of the house as alternative propositions.

Now I bring to the attention of Your Honour this significant fact; the debate up to this time has intimated, I think, to all who have followed it that some hon. gentlemen find themselves in sympathy with the general principle of the main motion, but they cannot follow it in its entirety as they consider it goes too far and is too sweeping, and so my hon. friend from South Toronto (Mr. Geary) has suggested an amendment which will meet, in his opinion, the views of those who are unable to follow the original motion in its entirety; but he has left sufficient of the original motion to make his amendment a technical amendment within the rules of the house. He has strictly observed the rule as to relevancy, as he deals with one section of the natural resources without dealing with them all, and he has met the objection of certain hon. gentlemen and submitted to them an alternative proposition by inviting them to refer this matter to a committee of the house for further study, rather than conferring upon parliament the rather extended powers called for in the original motion. Under the rules, Mr. Speaker, I submit that the amendment is strictly in order.

Mr. RYCKMAN: I desire to say a word on the point of order, Mr. Speaker. I wish that the Minister of Railways and Canals (Mr. Dunning), the Minister of National

Defence (Mr. Ralston), and other hon. gentlemen would consider their remarks in Hansard to-morrow before they attempt to make this house appear ridiculous before the country. If there ever was an amendment that was peculiarly and appropriately an amendment within all the rules of parliament, it is this one that has been submitted by my hon. friend from South Toronto (Mr. Geary). It is absurd for the Minister of Railways to say that this is a mere negative. He understands the English language. It is not a negative motion. It does not take away from the government the power to deal with this matter after it has been referred to a committee—not at all. It is a proper amendment within every rule for the moving of amendments. My hon. friend the Solicitor General (Mr. Cannon) says that there must be notice—notice with respect to a matter that has been debated in the house for two whole days! Suppose the government side of the house proposed a reference to a committee in a matter that had been considered by the house for two whole days; would any hon. gentleman say that such a proposal would be out of order?

Mr. STEVENS: It is constantly being done.

Mr. RYCKMAN: It is being done all the time, here, and in every other deliberative assembly.

Mr. STEVENS: It was done this session in connection with the narcotic drug bill.

Mr. RYCKMAN: I will not say I would like the government to do it, but I ask this government, sitting on the government benches in control of the procedure of this house to consider well before they rule this amendment out of order, and let the people of Canada judge—

Some hon. MEMBERS: Order, order.

Mr. RYCKMAN: The Minister of Railways is good on the low notes when it comes to interrupting.

Mr. DUNNING: I rise to a point of order, Mr. Speaker. The hon. member (Mr. Ryckman) is not discussing the point of order before the Chair.

Mr. RYCKMAN: I am discussing the point of order, Mr. Speaker, and I am pointing out the dilemma in which the government will be placed if the ruling of Your Honour should by any possible chance be against this amendment being an appropriate amendment to be considered by this house.

Mr. POWER: I rise to another point of order, Mr. Speaker, and that is that the hon. gentleman who has just taken his seat (Mr Ryckman) has insinuated in his remarks that you will do something which is contrary to the public interest. He has challenged, not the government, not the people on this side of the house, but you, Mr. Speaker—

Some hon. MEMBERS: No, no.

Mr. POWER: —to give a decision on a point of order raised in this house. It is for Your Honour to give the decision, and not for members sitting on this side of the house or on that.

Mr. DEPUTY SPEAKER: Does any other hon. gentleman wish to speak to the point of order? The motion reads:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

To which has been moved the following amendment:

That all the words in the motion after the word "house" be struck out and the following substituted therefor:

"the present method of disposing of the water powers which form part of the natural resources under the control of the federal government is unsatisfactory, and that the whole question of the disposal of such water powers should be referred to a committee of this house for inquiry and report."

As has been pointed out during this discussion, the motion seeks to provide that any disposition of the natural resources

shall not be effective until ratified by parliament.

While the amendment proposes, that

disposal of such water powers should be referred to a committee of this house for inquiry and report.

At page 127 of Beauchesne's Parliamentary Rules and Forms I find the author in paragraph 396 comments on standing order 48 as follows:

An amendment on a question must not be inconsistent with a previous decision on the same question given at the same stage of any bill or matter.

And in the following paragraph he points out very definitely, as referred to by the Solicitor General (Mr. Cannon), that:

An amendment must not raise any question which by the rules of the house, can only be raised by a distinct motion after notice.

In my opinion the latter part of the amendment asking that this matter be referred to a committee contravenes section 397.

Some hon. MEMBERS: Why?

Some hon. MEMBERS: Order.

Mr. GARLAND (Bow River): What about 406?

Mr. DEPUTY SPEAKER: No matter can be referred to a committee of this house except on motion, after notice and certainly there has been no such notice given. Consequently under this rule I am forced to declare the amendment out of order.

Mr. GUTHRIE: I appeal from the ruling of the chair.

Mr. Speaker having resumed the chair put the question as follows:

Mr. Woodsworth moves:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

To which Mr. Geary moves in amendment:

That all the words in the motion after the word "house" be struck out and the following substituted therefor:

"the present method of disposing of the water-powers which form part of the natural resources under the control of the federal government is unsatisfactory, and that the whole question of the disposal of such water-powers should be referred to a committee of this house for inquiry and report".

Whereupon the Speaker ruled the amendment out of order on the well known principle that:

An amendment must not raise any question which by the rules of the house can only be raised by a distinct motion after notice. Beauchesne, standing order 48, paragraph 39f.

Thereupon Mr. Guthrie appealed from the Speaker's ruling. Shall the Speaker's ruling be sustained?

The house divided on the question: Shall the ruling of the Chair be sustained? And the ruling was sustained upon the following division:

YEAS

Messrs:

Baldwin,
Bancroft,
Beaubien,
Benoit,
Blanchard,
Bock,
Bothwell,
Bouchard,
Boulanger,
Bourgeois,
Bowman,
Bradette,
Brown,
Cahill,
Cannon,
Casgrain,
Cayley,
Chevrier,
Denis,
Desaulniers,
Deslauriers,
Donnelly,
Dubuc,
Dunning,
Dussault,
Elliott,
Euler,
Fafard,
Ferland,
Fiset (Sir Eugene),
Fontaine,
Forke,
Gershaw,
Gervais,
Girouard,
Glen,
Gray,
Guérin,
Hay,
Heenan,
Hepburn,
Howden,
Jenkins,
Kay,
Lacombe,
Lacroix,
Laflamme,
Lang,
Lapierre,
Letellier,
Lovie,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McDiarmid,
McIntosh,
McKenzie,
McMillan,
McPherson,
Malcolm,
Marcil,
Mercier (St. Henri),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Parent,
Perras,
Pouliot,
Power,
Prévost,
Ralston,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
St-Père,
Sanderson,
Sinclair (Queens),
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Telford,
Thorson,
Tobin,
Totzke,
Vallance,
Veniot,
Verville,
Young (Saskaton),
Young (Weyburn).—96.

NAYS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bell (Hamilton West),
Bell (St. John-Albert),
Bird,
Black (Yukon),
Bowen,
Boys,
Brady,
Campbell,
Carmichael,
Casselman,
Chaplin,
Charters,
Church,
Clark,
Coote,
Cotnam,
Dickie,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Embury,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Grimmer,
Hanson,
Harris,
Heaps,
Hocken,
Hubbs,
Irvine,
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
Ladner,
Lawson,
Lennox,
Lucas,
Luchkovich,
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
McRae,
Maloney,
Manion,
Matthews,
Maybee,
Peck,
Perley (Sir George),
Pettit,
Plunkett,
Quinn,
Rennie,
Ross (Kingston City),
Rowe,
Ryckman,
Ryerson,
Senn,
Short,
Simpson,
Smoke,
Speakman,

Spence,	Stirling,
Spencer,	Tummon,
Spotton,	Ward,
Stevens,	White (London),
Stewart (Leeds),	Wilson,
Stinson,	Woodsworth.—90.

Mr GUTHRIE: Mr. Speaker, I beg to move, seconded by Mr. Boys:

That the motion be amended by striking out the words "natural resources" where they occur in said motion and by inserting in lieu thereof the words "water-powers".

Hon. J. W. EDWARDS (Frontenac-Addington): I stated the other day the reason why I could not support the motion as moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth). That reason I can put in a very few words. The motion declares:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

I said I could not vote for that motion because that would be accepting on my part the proposition that these natural resources were under the control of the federal government, and I did not think that they were. The amendment substitutes for "natural resources" the words "water-powers", and if that were not qualified I could not vote even for the amendment. But the amendment proposes that no disposition of water-powers under the control of the federal government shall be effective until ratified by parliament, and I am sure that those who have a commendable mental acuteness will appreciate the fact—and it is a fact—that there are certain water-powers on navigable streams, such as the St. Lawrence, which are more or less under the control of the federal government. For that reason I shall support the amendment.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Since this amendment has been made to my motion and I shall have no opportunity of discussing the subject further unless the amendment is voted down, which I hope will not be the case, I should like to refer now to a few matters that have come up during the debate. I shall vote in favour of the amendment, not because it gives all that I wanted, for I was laying down a general principle, but because it is in line with that principle, and sometimes one must take half a loaf if one cannot have a whole loaf. The Minister of the Interior the other day tried to sidetrack the discussion which has been going on by saying that this was a matter—

Mr. SPEAKER: Order. I would ask hon. members behind the curtains to be silent. I cannot hear the hon. member although he has a very powerful voice.

Mr. WOODSWORTH: I was saying that the Minister of the Interior attempted to sidetrack the real issue by suggesting that my resolution and my speech had to do entirely with the question of public versus private ownership. I would point out that the resolution pre-supposes grants to private individuals or corporations, and I think the amendment may be taken to pre-suppose similar grants. The fact is that the general policy of public versus private ownership is not involved in my resolution. Personally I am in favour of public ownership, but I say that question is not directly involved in the resolution. The purport of the resolution is to insist that natural resources shall not be alienated merely by order in council, without ratification by parliament. The minister went on to suggest that the contract was a good one; again I say that was not the point at issue. I will admit that the contract has some good features, but the point is that nothing of this kind should be done merely by order in council, especially in this case, the matter should have been submitted to parliament.

I charged that the action of the government was a violation of solemn assurance made to the Manitoba members. This point has been fairly well covered during the course of the discussion. We were told that we would be consulted; I ask if any member of this house says we were consulted when all that has been brought out is that of seventeen members seven were called together in Winnipeg, and the rest of us were not in any way notified. Even then these seven were simply informed that the government had concluded an agreement with the Manitoba government whereby the understanding with us could not be carried out. Is that consultation?

Then again the minister stated to the house very definitely, in answer to the leader of the opposition, that he would take no action. In view of what he wrote the next day I wonder whether any member of this house can say he intended to carry out that assurance. The minister immediately sat down and wrote that the original undertaking, on which apparently he had set his heart, would not be impaired in any way. In order to have it perfectly clear, let me quote the letter from Mr. Stewart to Mr. Bracken:

As the matter is one that has created a great deal of interest in Manitoba and last night

was made the matter of comment in the house by the Hon. Mr. Bennett, and in view of the fact that delay of a month or so will not injure the prospects of this development—

On which apparently the minister had set his heart.

—I think it wise on my part to delay the issuing of the license for that time.

Mr. STEWART (Edmonton) : I rise to a point of order. I must object to my hon. friend reading words into letters written by me which are not there. I emphatically deny the words used by my hon. friend. I have no objection to his reading the strict text of the letter, but I object to his interjecting words in the hope that they will appear in Hansard as part of the letter itself.

Mr. WOODSWORTH: I have no desire that anything will appear in Hansard as part of the letter which is not there; I merely put in an interjection, as we often do. The exact statement of the minister was as follows:

. . . delay of a mouth or so will not injure the prospects of this development. . . . .

That was written one day after he had given a solemn assurance that no action would be taken.

Mr. STEWART (Edmonton): I must object again; I gave no solemn assurance. My hon. friend persists in using that word, and I object.

Mr. WOODSWORTH: Very well; let me read Mr. Stewart's statement from Hansard:

I may assure my hon. friend that until that difference of opinion is settled I am not going to issue any license for that water-power. I think I may assure my hon. friend of that.

Those are the exact words of the minister, and he will not deny them. Further than that, I suggest that this is not the first time the minister has issued a statement not in harmony with the facts.

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: Let me note the situation which existed in Winnipeg. It was suspected by some of the members of the local legislature that this grant was to be made to a private corporation; friends of mine in the local legislature wrote and asked us to make inquiries here. We did make inquiries in this house concerning the matter, and now let me read what Mr. Stewart telegraphed to Mr. Bracken on February 6:

No truth in report that Winnipeg Electric Railway Company is urging federal government for lease to develop Seven Sisters falls. Company's application was dated June 7, 1927, as to which your government has knowledge. Company has not submitted any further request for action in respect to this application. Mr. Johnston expects to reach Winnipeg Monday morning in accordance with your request.

Let me direct particular attention to one sentence contained in that telegram: "Company has not submitted any further request for action in respect to this application." Yet what do we find? I turn over the correspondence as laid on the table and find that on August 7, one month later than the application, E. Anderson sent information with regard to the incorporation of the Northwestern Power Company Limited. He said:

It is in the name of this company that we desire to have the priority permit issued in respect of the Seven Sisters development.

A month later than the application we have this letter written by Mr. Anderson to the department.

Mr. RALSTON: Will my hon. friend read it all? It would be much better to have it all on record.

Mr. WOODSWORTH: The file was given another member of this house to-day and has not been returned to me.

Mr. RALSTON: Then will my hon. friend repeat the date?

Mr. WOODSWORTH: August 7, 1927. Then I go on three months, to October 28, under which date Mr. E. Anderson, counsel for the company, writes to Mr. Johnston of the department protesting against the granting of homestead rights in the vicinity of the Seven Sisters falls because it might interfere with power development. It is evidently taken for granted that this development will go through, and he writes that the company should be protected in that regard. Then I turn over the file again to November 18, a month later, when I find certain suggestions made by Mr. Anderson to Mr. Johnston that the settlers in the district near the Seven Sisters power site should not put improvements on the land as otherwise I suppose there would be added expenditures. There may be other letters, but I noted only these in the hurry of this morning. The minister has this to say on November 18:

The company's application was dated 7th June, 1927. The company has not submitted any further request for action in respect to its application.

There is request after request, and the whole tenor of the correspondence shows that the scheme is taken for granted as between the department here and the Winnipeg Elec-

tric Railway company. It is very significant that the only letter I have following the last one read is dated March 21, when Mr. Anderson announces that an agreement had been reached with the provincial government and arranges for a meeting with the department.

Mr. STEWART (Edmonton): During that whole period the Manitoba government had priority in connection with that lease.

Mr. WOODSWORTH: I recognize that.

Mr. STEWART (Edmonton): There is no doubt that letters were passing back and forth until Mr. Bracken refused that lease.

Mr. WOODSWORTH: Is there any record of that?

Mr. STEWART (Edmonton): I have given my solemn word to this house at least a dozen times.

Mr. WOODSWORTH: I challenged a solemn assurance the minister gave in another connection.

Some hon. MEMBERS: Order, order.

Mr. DUNNING: Mr. Speaker, may we have a ruling on that?

Mr. SPEAKER: The hon. member must accept the word given by one of his colleagues.

Mr. WOODSWORTH: Am I permitted to read the records as laid on the table?

Mr. SPEAKER: Certainly.

Mr. WOODSWORTH: I was reading the record.

Some hon. MEMBERS: No, no.

Mr. WOODSWORTH: The minister distinctly stated on February 6 that after June 7 the company had not submitted any further request for action in respect to its application, but after that date, on August 7, we find a further request; on October 28 we find still another request; and on November 18 we find further requests with regard to this application. I leave the record to speak for itself.

The government is a trustee, I take it, of these natural resources, including these waterpowers. Although the Manitoba government had no authority to grant a lease without submitting the proposal to parliament, this government was willing, on the strength of the provincial order in council, to turn over to a private company properties estimated at a value of $28,000,000. I think the hon. member for Winnipeg South Centre (Mr. Thorson) has dealt very adequately with this phase of the question. It is considered necessary that before the natural resources are finally turned over there should be ratification by this parliament and also by the parliament of Manitoba.

Mr. GLEN: If the province of Manitoba, which has not as yet obtained its natural resources, approved in the legislature of the granting of a power site lease to a private company, would the hon. member support that?

Mr. WOODSWORTH: I think the question can be answered in the words of the member for Marquette (Mr. Glen):

> "We have said everything we can say," said Mr. J. Allison Glen, M.P., Marquette, when advised of the action of the cabinet at Ottawa. "We are disatisfied, of course. We took the stand that it was too important a matter to put through by private agreement without consulting the representatives of the people. The proper place to have the issue discussed was on the floor of the legislature. If Mr. Bracken chooses to adopt some other course, that is his responsibility. The federal members who opposed the deal considered they had some responsibility and believing the agreement was not in the best interests of the people they registered their opposition. There is nothing more to be said just now."

Mr. GLEN: The hon. member has not answered my question. I asked the hon. member if he would have any objection to the legislature of Manitoba approving of the granting of a lease to a private company?

Mr. WOODSWORTH: Once the natural resources are formally turned over the legislature of Manitoba is supreme.

Mr. GLEN: That is not an answer to my question. The amendment now before the house says that the disposal of power sites shall be subject to ratification by this parliament. Would the hon. member say that the legislature of Manitoba has no right to grant a lease to a private company without that lease being ratified by this parliament?

Mr. WOODSWORTH: I would say that the resolution says what it means. Whatever is within the jurisdiction of the Dominion should come before this parliament; what is not within the jurisidiction naturally does not come before it.

Mr. GLEN: That is not an answer to my question.

Mr. BROWN: The hon. member mentioned a figure of $28,000,000.

Mr. WOODSWORTH: That was the estimated value.

Mr. BROWN: Would he tell us how that estimate has been arrived at?

Mr. WOODSWORTH: I suggest, Mr. Speaker, that the settlement of this great question of the natural resources of Manitoba which has occupied this country for well on to fifty years should not have been settled in a few weeks in the way it was, by order in council; an order in council on the part of the province and an order in council on the part of the Dominion. They did not dare to bring this matter before the legislature of Manitoba.

The Prime Minister said that this government did not advise. I wonder what we can call it other than advice, at least with regard to the action on the part of the department with regard to this whole matter. Anyone who has looked over the correspondence cannot but see that the deputy minister of the Department of the Interior definitely allied himself with the private bodies in order that the development should be done under a private company. We are told there was no advice, but that is the only conclusion that can be arrived at by reading the correspondence.

Mr. STEWART (Edmonton): Does the hon. member make the statement that my deputy minister, Mr. Cory, is allied with the private interests?

Mr. WOODSWORTH: I meant the water-powers branch. The correspondence between the private company and the water-powers branch indicates very clearly that that branch was desirous of giving this development to the private company. I did not intend to mention the deputy minister.

In my speech introducing the resolution, I asked a question with regard to the recovery of this valuable water-power. I would suggest, without discussing matters that are now under investigation in Winnipeg, that enough has already come to light in Winnipeg to show corrupt practices, and it seems to me that this should invalidate the lease. We have had no word whatever from the Minister of the Interior, no word whatever from the Prime Minister, with regard to this matter. If these water-powers have been acquired on what are more or less false pretences; if there has been manipulation behind the scenes; if there have been misrepresentations, it would be an outrage that any company could secure this water-power by order in council and then that it should be impossible for us to recover. I do not think the people of Canada will tolerate that kind of thing.

I come to the resolution as I prepared it. I prepared it in all good faith, but I find that the discussion has taken a very broad turn. We have had the whole of the natural resources question discussed from half a dozen different angles. The Prime Minister took advantage of this occasion to give a most important pronouncement with regard to the way in which the government proposed to deal with the natural resources. This all arose out of this little resolution of mine. The purport of the resolution is clear. Even the hon. member for Frontenac-Addington (Mr. Edwards) is, I think, rather mistaken in his criticism. The scope of the resolution is limited to those natural resources which are under the control of the federal parliament. If, as he believes, the lands or the water-powers are not under the control or, if you like, the administrative control of the government, then the resolution does not mean anything; it will not do any harm. But we all know, as a matter of fact, wherever the ownership may have been, it is the Dominion government which has been charged with the administrative control. Hence so far as the form is concerned I think anyone could vote for the resolution.

The Prime Minister, in attempting to answer my serious argument, descended to ridicule it. It seems to me that is hardly worthy of the Prime Minister. In a similar way, the other day he undertook to anticipate a resolution placed on the order paper by the hon. member for Southeast Grey (Miss Macphail) and to ridicule that resolution, and, in the ridiculing of it to misrepresent it and thus prejudice the house against its proposals.

Mr. MACKENZIE KING: I take exception to my hon. friend's remark. I was not attempting to ridicule any motion. I was pointing out what literally in the matter of expense would be involved if the terms of a certain resolution were carried out. I was not casting any ridicule upon it.

Mr. WOODSWORTH: The Prime Minister to-day brought in some big books and in a childish way—

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: I think I am using a parliamentary expression. He held up a great pile of books and said that, if my resolution passed, all the details in these books would have to come before the house. When I made this motion I expressly stated that, as a matter of course, all the small items would, as they are now, be laid on the table

by the Minister of the Interior and it would be only in an exceptional case that objection would be taken. As I pointed out in my first speech, in theory not a dollar of public money can be expended without the sanction of the house. I hold in my hands, following the childish gesture of the Prime Minister, the report of the Auditor General containing, I suppose, thousands or tens of thousands of items of individual expenditures. One might say it would be absolutely absurd to have parliament pass on all these, yet in passing the estimates our theory is that we do consider every dollar that is spent by the government of the country. If it is possible to review thousands of items in this way, I see nothing inherently impossible in having these estimates laid on the table even in the case of homesteads and leases. On these small transactions there would be no discussion whatever; they would be passed en bloc as we have been passing even divorce bills. They would be passed as a matter of course, but at the same time the house would be given an opportunity to check anything that was not in the public interest.

We were told that even in the case of the St. Lawrence waterways it would be very difficult to secure the revocation of the license. We are told, with regard to the Seven Sisters falls, that already vested interests have been created and that it would be extremely difficult for the government to cancel the license. I know there is that difficulty. Perhaps it is put forward as being greater than it really is, but I want to obviate a difficulty of that kind by insisting that until parliament finally passes on the matter, there is no vested interest on the part of anyone. I would say: Let the government go on with its negotiations; let it call in its experts; let it work out the agreements and let it tentatively give licenses or contracts, but let every licensee know that that license must come for review before this house. In view of the tens of millions of dollars of the natural resources of this country which have been alienated during past years without any sanction from parliament, I urge in all seriousness that we ought to take steps now to insure that our natural resources are safeguarded. In discussing the resolution, I used the disposal of the Seven Sisters falls as an illustration. I did not know that the whole of the discussion was going to centre on the Seven Sisters falls; but as I stated frankly, it was the manner in which that lease was granted and the subsequent events that led me to put this resolution on the order paper.

I accept the amendment and will gladly vote for it, and I hope that many members on the government side will do the same. I know this is expecting a good deal when there has been party feeling aroused by this discussion. By this resolution I did not intend to introduce a vote of censure of the government. If that vote of censure is introduced in the house, it ought to stand by itself. If I had intended a vote of censure of the government I would have brought in a vote of censure. I did not intend the resolution as such; I put it on the order paper months ago, and it came up at this time simply in the regular course. But in view of the growing public interest in matters of this kind, it seems to me that many members on the Liberal side as well as members of the opposition could well afford to subscribe to what I regard as a fundamentally sound proposition—and I limit it to the proposal of the amendment—that the vast water-powers of this country that are so essential to its future development ought not to be left entirely in the hands of any party government. I would be as loath to leave them in the hands of the Conservative party as I am to leave them in the hands of the Liberal party. Now that the Conservative party to-night, owing to a rather curious development of events, are willing to vote for a great principle of this kind, I hope it will not be defeated by the so-called Liberal party of Canada.

Mr. J. A. GLEN (Marquette): Mr. Speaker, I had not intended to discuss any further the resolution before the house, but in view of the extraordinarily heated remarks of the hon. member for Winnipeg North Centre (Mr. Woodsworth) I feel that I must follow on the remarks I made this afternoon. The hon. member for Winnipeg North Centre says that he did not import into this discussion the question of the Seven Sisters power site.

Mr. WOODSWORTH: No, no. That is a misunderstanding.

Mr. GLEN: He says that he did not understand that the discussion would centre around the Seven Sisters falls power site; I think those were his words. But not a man in the house spoke of the Seven Sisters site until after the hon. member for Winnipeg North Centre had mentioned it. The whole of his argument was a condemnation of the Minister of the Interior (Mr. Stewart) for the action he took in that connection. He spoke in the first instance, when introducing his resolution, of the domination of the financial interests particularly with regard to power, and he proposed to make that the basis of his argument, but afterwards he departed al-

together from that line and came to the question of the disposal of the Seven Sisters falls site as a horrible illustration of his argument. I have entire sympathy, as I said this afternoon, with all that he said with regard to the domination of the financial interests in this country, but I am not prepared to accept the argument he submits, namely, that the question of the disposal of the Seven Sisters site should determine my attitude in the vote that is about to take place on the amendment.

I asked the hon. member to answer a question; he has not yet done so, but I think the question is very relevant to this discussion. I asked whether in the event of the legislature of Manitoba, or Saskatchewan or Alberta, if you will, passing a resolution approving of the granting of a power site to any private individual or corporation within the province, the hon. member for Winnipeg North Centre would in those circumstances—the representatives of the people having expressed their will through a resolution of the legislature—say that the province had no right to request the Dominion government to grant that lease. There was no answer from the hon. member, although both in this house and on platforms throughout the country—I have no particular occasion in mind, but I think I do him no injustice when I say this—he has always stood for the autonomy of the provincial legislature. Yet in this house to-night he is asking hon. members to support an amendment which would make the granting of the water-powers of the different provinces subject to ratification by this parliament, and only then would the disposition of those water-powers become effective.

Mr. WOODSWORTH: No. Read the amendment.

Mr. GLEN: I do not think that is an incorrect statement. The amendment, if it means anything, means that the disposition of the water-power sites in any province shall not be effective until ratified by parliament.

Mr. HEAPS: What control has this parliament over the water-powers of the province of Quebec, for instance?

Mr. GLEN: I am very much concerned with the province of Manitoba, and with the three prairie provinces generally, which have not yet got their natural resources.

Mr. HEAPS: The hon. gentleman has just made the statement that my colleague from Winnipeg North Centre wants to interfere in the granting of the leases by the different provinces in Canada, and I am simply testing his statement.

[Mr. Glen.]

Mr. GLEN: If the hon. gentleman had listened to my argument, it was this: Under the amendment, the Dominion of Canada would have control over the power sites in this Dominion irrespective of the wishes of the provincial legislatures in the three prairie provinces.

Mr. HEAPS: That is not possible.

Mr. GLEN: I shall endeavour to make my hon. friend understand that it is possible. Suppose that instead of having the Seven Sisters power site under discussion in the circumstances in which it is now before us, Premier Bracken had acceded to our request that the question should be submitted to the provincial legislature, and that the provincial legislature, which is now sitting, had decided after open discussion that they would grant the lease of the Seven Sisters falls power site to the Winnipeg Electric Company, and in furtherance of that action had requested the Minister of the Interior to accede to the granting of the lease. My question is, would the hon. member say that in those circumstances the Minister of the Interior would be justified in withholding what the people of the province of Manitoba claimed as their right, namely to dispose of their own natural resources? Would he take that stand, in view of the undertaking given by the Dominion government at the Dominion-provincial conference, that pending the transfer of the natural resources the Dominion government would hold them at the wish of the provincial government? Yet the amendment says that no disposition of the water-powers shall take place until ratified by this parliament.

Mr. WOODSWORTH: Yes. They must not be given away by order in council, but by parliament.

Mr. GLEN: The order in council was passed not by the Dominion government but by the provincial government.

Mr. WOODSWORTH: No. I think the hon. gentleman will agree that the lease was granted by order in council passed by the federal government.

Mr. GLEN: The lease was granted by this government on the request by order in council of the government of Manitoba. There was the considered opinion of the province of Manitoba asking that the lease be granted to a particular company, and expressed in the form of an order in council, and this government naturally acceded to that request, as they were bound to do.

The hon. member has been speaking of provincial autonomy. I would like to know

what the members from Saskatchewan and Alberta have to say about this. I am informed that a number of leases have been granted, if not to individuals, to corporations within the province of Alberta, and these leases have been granted with the knowledge and consent of the premier of the province, and the same with regard to Saskatchewan. Will the members from these two provinces take the position that if this amendment carries, no lease the granting of which is asked for by the Premier of Alberta or the Premier of Saskatchewan shall be granted until it is ratified by this parliament? Will they, taking the position which the hon. member for Frontenac-Addington (Mr. Edwards) takes, that the Dominion is but the trustee and that the provinces are the beneficiaries of the natural resources, say that the beneficiaries have no right to say where the assets of their estate shall go?

The hon. member for North Winnipeg (Mr. Heaps) raises the question of the province of Quebec. I say that I am concerned with Manitoba. That is my first and my only consideration just now, and I say that the province of Manitoba would be restricted by the terms of this amendment. It could not be otherwise, and for that reason I intend to oppose the amendment.

Mr. MALCOLM McLEAN (Melfort): I have not occupied the time of parliament during the session any more than my hon. friends across the way have, but I do intend to say a little to-night. Like most of the members I have been listening off and on to this discussion for two or three days, a discussion of a most extraordinary nature on a most extraordinary subject. Coming from western Canada I have been accustomed there to take pride in the growth of that part of the country, developed as it has been under the policies of successive federal governments, of disposing—alienating is the word that would be used to-day—of certain natural resources of those sections, which have existed there since the dawn of creation. Those lands were not worth twenty-eight million dollars, they were not worth a nickel, until men came in and brought them under cultivation. But, as I have said, we had become accustomed to the wonderful growth of that western country under the policy adopted, and adopted wisely, a generation or two ago by this parliament and adhered to during the intervening years. What was that policy? That the government of this country, under legislation passed by parliament, was empowered to alienate the resources of the prairie provinces, to give them to individuals, to lease or sell them to corporations, with the result that to-day that western country upholds the trade and financial credit of the Dominion in the markets of the world. And yet the policy under which that tremendous development has taken place is attacked to-night by the original motion, and in a milder form by the amendment of the hon. leader of the opposition.

Now, Mr. Speaker, had the policy which is now being proposed been in effect during the last thirty or forty years would western Canada to-day be supporting millions of people, would we have the great cities of Winnipeg, Calgary, Edmonton, Regina, would we see the railways strung across from the lakes and over the Rocky mountains to the Pacific seaboard? Such a development would have been impossible if every homestead application had to be passed on in this house, and if hon. members wanted to know why John Jones should get a certain quarter-section, and required that the application and all the correspondence and other papers relating thereto should be placed on the table of this house. But that is exactly what would have happened if the principle of this resolution had been in force. On the very next page to that containing the resolution now under discussion I find the following notice of motion for production of papers:

> For a copy of all letters, telegrams, correspondence, and any other documents in the possession of the government or any department thereof, in connection with the sale of section 26, township 32, range 32, west of the first meridian.

This motion for a copy of documents relates, it will be noticed, to the sale of a section of land. The hon. member for Mackenzie (Mr. Campbell) wants to know all the details; but if that land and other resources had been given away you can imagine the number of inquiries that would appear on the order paper, and it is safe to assume that this house would find it very difficult to discharge its functions as a branch of parliament. The policy under which western Canada has been developed has been almost uniformly successful, experience has shown it to be wise, and it would be a sad state of affairs if it were displaced by the policy now proposed.

I remember the leader of the opposition speaking very feelingly about the officers of the Department of the Interior. I should like to pay a tribute to the department not only since the present minister has been in charge but since its inception. Since the prairie provinces began to grow settlers have looked to the Minister of the Interior and to the officers of his department as their friends.

They came into the country largely on the invitation of the department, and on the lands given to them they built their homes, and under all governments of whatever shade of politics generally speaking those people have received fair and reasonable treatment from the department. Why? Because the sole object of the department was to people those western plains and get them under cultivation. And yet this motion which has been debated for two days and the amendment now under consideration would change that policy and throw the work into the political arena.

I am quite sure hon. gentlemen opposite do not really mean that. The only reason I can suggest for their support of the amendment occurs to me from a statement made by the hon. member for Frontenac (Mr. Edwards) yesterday, when he told the house he could not support the resolution as worded, but apparently he and his friends are quite ready to support the amendment that no disposition of the water-power under the control of the federal government shall be effective until ratified by parliament. But there is no difference in the principle involved. If the water-powers in western Canada, for instance, are not rightfully under the control of the federal government that government could not dispose of them now. And if the lands and other resources still under the control of the federal government should not be disposed of by the Department of the Interior, I cannot see how the hon. member for Frontenac can justify his change of front. It is too subtle for my very ordinary intellect to grasp.

I should just like to point out what the passing of this resolution would mean. I admit that if the amendment passes it would not have all the effect that I am about to describe. The Department of the Interior disposes of scores of thousands of homesteads every year. Men go into the prairie provinces every year to hunt up new homes, to find new ways of making a living. Those people would have no assurance of title or other security until the proposed grant of their homesteads was brought before this parliament and disposed of. Well, a year or two ago some of us thought that the sessions of parliament lasted too long. Last session the rules were amended in order to shorten the length of time which hon. members have to spend in Ottawa, and I think there was very little difference of opinion in any part of the house as to the desirability of the changes then made. In the face of that change this proposal, which we have been discussing for two days, would throw on parliament the extra burdens that I have outlined. The department also disposes of timber lands. I am well aware that possibly a generation ago it was said that certain things in connection with the alienation of these resources were not altogether right. I do not know myself, I am simply stating what I have heard or read. Now, supposing someone like my hon. friend from Winnipeg North Centre (Mr. Woodsworth)—of whose sincerity in this matter I am absolutely convinced; I am only questioning his judgment in the course he has taken—supposing, I say, some hon. member introduced a resolution that until this parliament ratified the disposition of any timber lands those resources could not be alienated by the Department of the Interior. What would have been the effect on the men who were depending for their living on the cutting of that timber?

Now, a new thought has struck me—does the hon. member for West Hamilton (Mr. Bell) interrupt?—the hon. gentleman who was so busy telling the house three years ago that the extremely hard conditions in his city had forced hundreds of working men to go out in the depths of the Canadian winter and pull grass off the mountain for fuel, and that those hard conditions were due to tariff reductions? If he has any interruptions to make I ask him to make them now.

There is a point in connection with this matter which I think the hon. member who proposed the resolution has overlooked. It is not asked that the disposition of lands shall be ratified by this house; it is proposed that it shall be ratified by parliament. Now, without saying anything derogatory, which would bring down on myself the wrath of the Chair, everyone knows that the other part of parliament, of which I must speak respectfully, has not always seen eye to eye with this house. Many times legislation passed by this house has received the cold shoulder in the other chamber, and now are we going to ask that no development shall be allowed in the western provinces, which, generally speaking, have been under the administration of the Dominion government—under the control of the Department of the Interior and to some extent of the Department of Fisheries—until the consent not only of this house but of the other also has been obtained? I think the thing is ridiculous, and as a western member I cannot support the proposition. Nor can I understand how anyone else can support it.

I was speaking a moment ago of timber lands. At the time when certain irregulari-

ties were supposed to exist in the handling of timber, would anyone suggest that no timber should be sold until the sales slips should have been brought to parliament and O.K.'d by the members of this house and of the other as well, and duly ratified? The act was amended to some extent, the regulations were changed, and provision was made for the disposition of timber in such a way as would remove all fear of danger in the future. The result is that the man who wishes to purchase timber from Dominion lands can now go to the nearest Dominion land office and obtain application forms, or he may attend an auction sale and make his purchase. But in any event he is assured of security. Take, again, grazing lands. If the proposal of my hon. friends were to be adopted, and all grazing leases held had to be ratified by this parliament, many of the cattle would die of hunger in a hard winter; they would not have the grass on the mountains to sustain them. The same principle applies to fishing.

Mr. BELL (Hamilton): If they were Liberals they would get thistles.

Mr. McLEAN (Melfort): I am sorry I did not catch that.

An hon. MEMBER: You didn't miss anything.

Mr. McLEAN (Melfort): I do not suppose I did. I am making a serious argument.

Some hon. MEMBERS: Oh, oh.

Mr. McLEAN (Melfort): I am glad to get at least that meed of praise from my hon. friends opposite.

Mr. MANION: It is not praise.

Mr. McLEAN (Melfort): In that case it must be what an hon. member suggested a little while ago—the loud laugh that speaks the vacant mind.

Mr. MANION: The vacant mind is over there.

Mr. McLEAN (Melfort): To proceed, if there are no more interruptions. The man who wanted a fishing license, according to this proposition, would have to come here and have his application ratified before he could engage in fishing, and the fishing season would be past before he could make a catch; he could not feed the people of Montreal and Ottawa and other eastern cities with the delectable northern trout we get to-day. And what about minerals? The prospector goes into the north and files his mineral claims, but according to this resolution he would have to come here at great trouble and expense, only to be informed that parliament would have to be consulted before he could begin operations. At the present time under the regulations he may file his claim knowing that he is absolutely protected on his holding, provided he does certain things which are reasonable; when he does those things he is sure of getting title. But under the proposed arrangements he would have to wait until parliament gave him title.

There is another matter that has been discussed a good deal during the debate and that is the question of water-powers. There has been considerable criticism of the disposition of certain water-powers in Manitoba. Now, something like five per cent of the water-powers of Manitoba was alienated from the control of the Dominion and turned over on the recommendation of the province under an agreement between the province and the Dominion. For the past twenty years there has been a determined demand on the part of many people in the west to secure control of natural resources including water-powers. This government arrives at an agreement with another government—a provincial government—to turn over certain water-powers and that provincial government advises that something shall be done with a certain water-power, a very insignificant percentage of the water-powers of Manitoba. The same water that flows over the Seven Sisters falls flows later into lake Winnipeg and out into the Nelson river where it forms a part of many millions of horse-power in that river. That is a tremendous river, draining a vast stretch of territory from the Rocky mountains on the west on to Hudson bay on the east, and from the northern United States, draining up through the Red river of the north, through the Assiniboine, the waters of western Ontario, draining through the Winnipeg and other rivers in that district, all flowing finally into the Nelson river, representing millions upon millions of horse-power. Yet because the government of the province asks this government to dispose of a water-power site in a way which so far as we know is satisfactory to the provincial authorities, and in a way which they had a perfect right to suggest, we have engaged in this long debate in parliament. How does this affect the other provinces? I

assure you, Mr. Speaker, I should be derelict in my duty were I not merely to refrain from voting but to decline to protest against a proposal such as this, which would tie up the development of the province I represent. I have no desire to see a change made in the regulations which would compel any man who wishes to secure a water-power in northern Saskatchewan—to speak of the province I know best—to wait until the proposition had been considered at Ottawa and passed upon by this parliament. We have often heard, and the people throughout the country have heard, about the harm done new industries in the newer parts of the Dominion through the control which banking and financial interests exercise. It is said that it is impossible to develop industries in the newer parts of the country as they should be developed because the banks have their headquarters in the eastern cities, and an industry in western Canada may be retarded cn this account. I have heard it reported, with reference to an industry in Fort William—the constituency represented by my hon. friend opposite (Mr. Manion)—that it was difficult to obtain sufficient financial credit by reason of the control of funds by business men who happened to be directors or owners or representatives of similar industries located and already established in the east. Some hon. gentlemen may ask, what has that to do with the water-powers or the alienation of resources?

Some hon. MEMBERS: Hear, hear.

Mr. McLEAN (Melfort): I hear an hon. gentleman say "hear, hear," but he knows pretty well what bearing it has on the subject. He knows perfectly well that the financial men can check the growth of western business. I am not accusing them of doing so; I am merely stating that which has been said in this house many times as well as on the street. And if they can do that in connection with financial power they can do it just as well in connection with the development of natural resources. In Saskatchewan, in the constituency I represent, there is proceeding at the present moment one of the most wonderful winter operations ever tackled in Canada. Freight is being hauled from the town of The Pas, a distance of eighty-five or eighty-nine miles, on a railroad where a year ago, this day 1928, there was nothing but muskeg and rock over the greater part of that eighty-five or eighty-nine miles. Courage, skill and industry last winter made it possible to lay steel over the muskeg, and this summer the steel was raised, the grade put in under it, and the rest of the road built. The result is that at this time development is taking place day and night, tractors hauling tremendous loads the rest of the distance from Flin Flon to the water-power site at Island falls. Ten tractors are hauling loads of some seventy tons apiece over a distance of from eighty to a hundred miles. They run on a twenty-four hour schedule, getting through with the material to build the dam at Island falls on the Churchill river. Now, Mr. Speaker, if anyone expects that I can conscientiously vote for a change in procedure which will make it impossible for such developments to proceed, I cannot agree with him.

An hon. MEMBER: You were not expected to.

Mr. McLEAN (Melfort): I know the hon. member for Toronto does not ask me to agree with him, so we agree to disagree, and throughout the Dominion as a rule not many agree with what goes on in Toronto or with what emanates from there. I know my hon. friend will not feel too badly hurt over that, because I am sure he does not believe everything that comes from Toronto.

However, Mr. Speaker, I want to protest against the idea that a development of that kind should be held up until some one can come to parliament and have all that deal pawed over here for political reasons, by politicians—and I do not use the word disrespectfully, being one of that brotherhood myself. This would mean a tremendous delay, and it would discourage investors, financiers, industrialists, miners and prospectors from going into that country if they knew they would have to run the gauntlet of parliament before getting power with which to turn the wheels of industry.

This is what I say, Mr. Speaker, and it is the main part of my speech—

Some hon. MEMBERS: Oh, oh.

Mr. McLEAN (Melfort): —which, like good wine, I have saved for the last. I am not interested a particle in the disposition of Seven Sisters falls, except as an ordinary citizen of Canada, but the people of Manitoba

are not children; they are grown up and the province is autonomous. I would remind hon. gentlemen opposite that a previous federal government fell on the question of the civil and autonomous rights of the people of Manitoba, who are well skilled in punishing governments with which they do not agree and in rewarding those with which they do agree. Surely hon. gentlemen opposite know that; their memory is not so short but that they remember what happened in 1914 and 1915, when the people of Manitoba took the direction of their affairs into their own hands. Because something happened in Manitoba which does not suit some hon. members of this house I do not believe there should be a complete change in the procedure under which western Canada was built up and developed.

Speaking for the province of Saskatchewan, I do not want to see any change in the law such as is proposed, until the people of Saskatchewan ask for it. Saskatchewan is quite capable of electing a legislature and selecting a government in which it has confidence; it has done so for twenty-five years, and when that government comes to Ottawa requesting this government to permit development of power on the Churchill river or some other river in a certain way, unless there is something palpably criminal on the face of it which would warrant this government in asking for time in which to consider the matter, I say that request should be granted. This is a question of constitutional rights which we are fighting to-day, and I protest against the idea that our people are children, without the full right and ability to govern themselves.

Now let me develop the argument in which I was engaged when I was interrupted by the applause of my hon. friends opposite. We sometimes hear that industries in that western country are hindered in their development by a lack of financial support due to the fact that men interested in the same kind of industries are on the boards of banks and other financial institutions in the east; so I think we are leaving ourselves open to the charge of hindering western industry which requires water-power or the use of other natural resources for its development. We will do that if we make them come to this house and to the other house for approval of grants of this kind. We must remember that the other house was unkind enough—and I hope this is not unparliamentary—to stop the development of western Canada six years ago on the question of the construction of necessary branch lines, and so held back people of that country from the proper development to which they were entitled. If the members of the other house had seen farmers hauling their grain thirty, forty to fifty miles to market in weather perhaps from thirty to fifty degrees below zero, I do not think they would have taken that action. I appeal to my hon. friends in the southeast corner of the chamber as to whether or not these conditions have existed in the past in western Canada.

Now what about the prospector? Every once in a while I receive a resolution or a request from a prospectors' association in northern Manitoba or northern Saskatchewan asking me to make representations to the department, alleging that certain conditions are too harsh in one way or unsuitable in some other way. We must remember that these men go out in the winter time with their dogs and a limited amount of food; they can stay out only so long, and if the snow is too deep or the weather too severe they cannot do very much. However, they keep moving, locate their caches and so on, and in the spring they come out before the ice goes. Then they must get together their summer outfits, after the breakup is complete. These men endure great hardships, and when they find something they come back to try to sell it to someone who will go in and develop the country as the Whitney people have gone into the Flin Flon area, where they are doing such good work. However, if these men were to be told, "Now, your option expires on a certain date and you may not be able to get power, because it is necessary to go to the parliament of Canada, and they may say you cannot have it," I submit it would make very difficult the development of the mineral areas of western Canada. So through you, Mr. Speaker, I ask this house to vote down a resolution which would hinder such development and would not do any good. I can quite understand certain members of this house objecting to the way in which water-powers, lands, timber limits and so on have been handled in the past, but just because hon. gentlemen may not like the way I wear my hat or do my hair, no one would think of saying that the proper punishment would be to amputate me just behind the ears. So

just because there may have been something in connection with the transfer of natural resources in Manitoba with which they disagree, I do not think we should change the whole system. I believe it is the duty, the right and the privilege of the people of Manitoba to deal with that question for themselves, and I ask this house not to do anything which will penalize the home makers of that western country. Do not let us make it harder for the lumberman who may want to buy timber from the government, with which other people may build houses, for the miners, the prospectors and others. Let us permit the people of Manitoba to do as they wish with what is theirs, but leave the resources of Saskatchewan under the same administration they have had in the past. Let them remain under the federal government, acting through the Department of the Interior in consultation from time to time with the government of Saskatchewan, in order that the resources may be administered on behalf of all the people until they are transferred to the province.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, when the house entered upon the debate on the address hon. gentlemen opposite, through the leader of the opposition (Mr. Bennett) spent some time in criticizing the government on the delay in the transfer of the natural resources to the western provinces. Since the present government came into office we have been doing out utmost to hasten this transfer, believing that the western provinces were justified in desiring the return of their resources at the earliest possible moment. What is the one reason above all others which has occasioned this desire on the part of the western provinces for the speedy transfer of their resources? Water-power to-day is coming to have a significance in industrial development which it has never had heretofore in the history of this country. The people of western Canada, appreciating that fact and realizing what it means to have possession of their water-powers, are anxious to have those water-powers under their own control to further in the manner they think best the industrial development of their provinces. What is the position being taken in this parliament this evening? The hon. the acting leader of the opposition (Mr. Guthrie), who comes from the province of Ontario which is highly industrialized through the development of electric power, introduces a motion which absolutely divides eastern and western Canada; which says in so many words that while the older provinces of Ontario and Quebec may have all the freedom they wish to develop their natural resources, and to develop their water-powers in particular, the western provinces of Manitoba, Saskatchewan and Alberta are not to be permitted to have any industrial development dependent upon electric energy developed from water-power until the particular plans and sites and all transactions incidental to the transfer of their water-powers and to their development are approved by this parliament.

Parliament is made up of two houses, the House of Commons and the Senate. Hon. gentlemen opposite still have a majority in the senate, and the industrial development of western Canada is to be made dependent upon the will of a Tory majority in the senate. That in effect is the result of the amendment before this house at the present time. I am somewhat surprised that my hon. friend (Mr. Woodsworth) who is a bit of a radical, is prepared to put his province in a position where its industrial development will depend upon ratification of the majority in the senate. The amendment reads as follows:

> That in the opinion of this house no disposition of the water-powers under the control of the federal government shall be effective until ratified by parliament.

That does not mean the water-powers in the provinces of Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Ontario or British Columbia, but it does mean all of the water-powers in the provinces of Saskatchewan, Alberta and Manitoba, because those water-powers are under the control of this government pending their actual transfer to the western provinces. This government has entered into an agreement with the government of one of these western provinces, and one of the conditions of that agreement is that its natural resources, including its water-powers, are to be administered in accordance with the wishes of that province from the time the agreement was made until the province is actually in full possession and control of its resources. Is the spectacle not an amusing one for us to be asked by a member from that particular province, of all parts, to break that contract and all that is implied in it? This contract provides for the trans-

fer of the control of all the resources, not only one particular resource. The Manitoba government stressed its desire to have all its resources administered in accordance with its own wishes, and so far as the resources were concerned I remember particular emphasis being laid in our conferences upon the effect the explorations in northern Manitoba today would be likely to have on future industrial development. A development such as we have not seen in Canada before may be expected in a very short time, in Alberta or Saskatchewan as well as in Manitoba, but as has been mentioned by the hon. member who has just taken his seat (Mr. McLean, Melfort), industrial development is something that has to be proceeded with rapidly or it will in many cases fail altogether. What is true of Manitoba is equally true of Saskatchewan and Alberta. So far as the government is concerned we have made a contract, on behalf of the Dominion of Canada, with one of the provinces of the west, and we have promised to make similar contracts with the two other provinces. This government will not begin a great policy of transferring the natural resources by contractual agreement, a policy which tends to unite this country from coast to coast more firmly than ever, by breaking one contract at its very inception.

The most serious issue that can be raised in this country is the issue of provincial rights, and that question is raised the moment any province is told that it cannot do what it likes with its own but must wait for the ratification of this parliament. The transfer of the natural resources to the western provinces has been delayed for one reason, among others, namely, because the proposed agreement stipulated in effect that the provinces were to be placed in a position of equality with the other provinces of the Dominion as far as their natural resources were concerned. Those words seemed to be fair enough, but it was alleged by the western provinces that they admitted of debate, and that there was doubt as to what they might mean. The province of Manitoba alleged that it might be necessary to get an interpretation as to their exact significance from the privy council. This government took the position that the right thing to do was to say that we believed the western provinces should be put as nearly as possible in exactly the position they would have been in had they had their resources from the moment they were created as provinces. That is the position we have taken in this new agreement; it admits of no debate or doubt, and having taken that position we intend to stand by it. We intend to see that the western provinces obtain their natural resources on a basis which will put them, so far as may now be possible, in the position they would have been in had they had the administration of their natural resources from the time they were created as provinces, and that means the right of their governments and legislatures, not our parliament, to decide what is to be done.

I think we have discussed this question long enough. There are many arguments that might be urged, but I do submit that when we have such a great issue as the question of the rights of the provinces as against the Dominion raised in an amendment; when we have an issue created which tends to divide eastern Canada from western Canada; when we have an amendment which threatens to hold back the industrial development of a large part of this Dominion to which the rest of the Dominion is already widely indebted, we should not waste very much time in letting the country know where we stand in regard to it.

Mr. JOHN EVANS (Rosetown): While this debate has been a day out for the Seven Sisters, I do not think I am trespassing when I take a few minutes to present some views regarding natural resources in general. I took some notes while the Prime Minister (Mr. Mackenzie King) was speaking the other day—

An hon. MEMBER: Louder.

Mr. EVANS: If hon. gentlemen would not talk so much I could be heard all right.

I was proceeding to say that the right hon. gentleman made some remarks the other day with reference to the fact that all parties and governments since confederation had played with the western provinces. I think it has been one of the most laughable farces that has ever taken place in this house to see one side accusing the other of delay and then of being in a hurry at the same time. I did not think they could blow hot and cold with the same breath as literally as they have. The hon. gentleman said that not only had the Liberals' offer of the natural resources been refused, but Mr. Meighen's offer of 1911 was also refused. Mr. Meighen's offer could not

be accepted, for several reasons. One of the reasons was that no accounting was to be made of all resources alienated during the years that they had been held by the Dominion government. The same restriction was to apply as has applied and this has been the reason for not handing over the resources since the time of confederation.

The Prime Minister also stated that the Dominion government was now willing to hand over these resources but that the provinces were not willing to accept the very generous offer. What was the generous offer? The most generous offer that has yet been made is that those provinces shall be given their natural resources and retain the present subsidy at the amount at which it stands to-day. Every province receives a subsidy, and if the provinces that have not their natural resources accept them on those conditions, those subsidies should be on a sliding scale in proportion to what the other provinces are receiving and according to population.

But I have yet to find out why those resources are not handed over and those provinces put in the same position as the other provinces of the Dominion. Why should the Dominion government be in a position to make offers? Who took those resources; who usurped the right to hold them? Was it not the Dominion government itself? To illustrate that I might mention something that has just occurred to me. If I stole a man's purse—and according to the code of ethics which is bandied back and forth across the floor of the house that would be no crime on my part if I were strong enough to get away with it—if I stole a man's purse and during the time I had it in my possession I freely used whatever was in it, should I be the one to make the owner an offer as to the conditions upon which he should receive it back? That is how the Dominion government stand to-day in relation to those provinces, and yet they say: We are making a generous offer. As a member from Saskatchewan let me tell the Prime Minister to keep his generous offer.

Mention was made of negotiations with the provinces. The Prime Minister said that hon. gentlemen seem to think some sinister motive is at the bottom of the whole thing. I am not going to say that it is sinister, but there is a motive. Are the house and the country to forget the speech made by the hon. member for Labelle (Mr. Bourassa) in this chamber in January, 1926? Are the house and the country to forget that an official of the Dominion government was sent to Alberta to get Brownlee to agree to the provisions demanded by Quebec? There is a motive. Why hide it? I am not saying this because I am a Protestant and not a Roman Catholic. I have no prejudice against Roman Catholicism.

Some hon. MEMBERS: Oh, oh.

Mr. EVANS: Hon. members may laugh, but I have none. I say, however, that when any province seeks by its religion and racial relationships to dominate politically the rest of the Dominion, I am going to rebel. Does Quebec send sixty-three or sixty-four members to this house every election only for the general good of Canada?

Mr. YOUNG (Weyburn): Yes.

Mr. EVANS: I do not believe it.

Mr. YOUNG (Weyburn): We do.

Mr. EVANS: We cannot accept the return of our resources with those restrictions. I have no prejudice against Roman Catholicism but I have against political domination by any one class or race in the Dominion, and until those restrictions are entirely removed from the acceptance of our resources, I am still going to rebel. I want to tell the Prime Minister that there have been two rebellions in western Canada. In 1870 Louis Riel was fighting for his own rights, for the rights of that territory, and I do not know, had I been there then, that I should not have been alongside of him.

Mr. POWER: I might suggest that the hon. member would have got into trouble with the organization to which he now belongs.

Mr. EVANS: I want to tell the hon. gentleman that no organization has ever had any strings on me.

Mr. SPEAKER: May I suggest to hon. members that we are discussing the natural resources of Canada and not the Riel rebellion?

Mr. EVANS: I was endeavouring to answer an accusation of the hon. gentleman, and I want to tell him that no organization has ever had any strings on me. I intend to preserve my freedom for the rest of my life.

As regards another reference made by the Prime Minister, the reason for dealing with those provinces separately in this instance is the very same reason why those who governed us in the early days saw fit to divide those territories up into three provinces in order that they might deal with them separately. If Saskatchewan is to accept the

remainder of her public domain without an accounting for the alienated land of that province, the subsidy should be on a sliding scale according to population and in relation to what the other provinces are receiving.

To come more particularly to the resolution and the amendment, assuming that the Dominion Lands Act was not a usurpation and ultra vires of the British North America Act, I submit that the principle of the resolution should have been adopted when the Dominion Lands Act came into force, but I do not even admit that the Dominion government had the right to pass the Dominion Lands Act and to apply it to our resources during the last sixty years. But then, just as is the case to-day, those two provinces, Ontario and Quebec particularly, assumed the right to rule over the western part of Canada. It is time they abandoned that practice and that the western provinces be given their full autonomy. For many years past, organized agriculture has from time to time declared its views in this matter by adopting resolutions something in these words. I hold in my hand what is known as the farmers' platform, on which the whole Progressive party that occupied this part of the house after 1921 was elected. The resolution reads:

The council recommends that no more of the natural resources be alienated from the crown, but that these be brought into use only under short-term leases in which the interests of the public shall be properly safeguarded, and that such leases be granted only by public auction.

I am sure the Minister of Railways (Mr. Dunning) will remember this resolution as well as some of the discussions which took place before the Canadian Council of Agriculture. More than that on many occasions my hon. friend from Lisgar (Mr. Brown), as president, put this resolution before his own organization. I cannot understand the action of men to-day in dealing with this matter. The action of the Liberal party and of the Conservative party on this question has been a mystery to me for many, many years.

Mr. DUNNING: Has not the hon. member also been a little mystified occasionally by the action of the Progressive party? I think he will admit that.

Mr. EVANS: The hon. gentleman can think that too if he likes. But whatever was the excuse in 1870 for the passing of the Dominion Lands Act, when responsible government was created in Rupert's Land and the northwest territory there was no need for the Dominion government to withhold those resources from their rightful owners. Had there been any excuse even for that, surely when the provinces of Alberta and Saskatchewan were created we should have been placed on an equal status with the rest of the Dominion. Why mince matters any longer? There is one faction on that side and one faction on this.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, March 1, 1929

The house met at three o'clock.

REPORT OF COMMITTEE

First report of select standing committee on miscellaneous private bills.—Mr. Parent.

PRIVATE BILL

FIRST READING

Bill No. 70, respecting Joliette and Northern Railway Company.—Mr. Ferland.

BUSINESS OF THE HOUSE

CHANGE IN MEMBERSHIP OF STANDING COMMITTEES

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

That the name of Mr. McIntosh be substituted for that of Mr. Bock on the select standing committee on banking and commerce.

That the name of Mr. Bock be substituted for that of Mr. McIntosh on the select standing committee on agriculture and colonization.

That the name of Mr. Howden be struck off the list of members of the select standing committee on miscellaneous private bills.

Motion agreed to.

PRECEDENCE OF BUDGET DEBATE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Following the practice respecting the debate on the budget, whereby the debate is accorded precedence over other matters once the Minister of Finance has introduced his budget, I beg to move:

That on Monday, the 4th of March instant, and every day thereafter the motion for the Speaker to leave the chair for the house to go into committee on ways and means have precedence over all other business, except the introduction of bills, questions, and notices of motion for the production of papers.

Hon. HUGH GUTHRIE (Acting Leader of the Opposition): Mr. Speaker, personally I have no objection to the motion, but I must say that it would suit my convenience very

much if it took effect on Tuesday instead of on Monday, and in conversation with my hon. friend who leads the Progressive party I believe it would suit his convenience also. Monday then would be private members' day, according to the order paper. I do not want to urge my objection too strongly, because it is entirely a personal matter.

Mr. JOHN MILLAR (Qu'Appelle): I rise to support the view of the acting leader of the opposition.

Some hon. MEMBERS: Oh, oh.

Mr. MILLAR: I think on that side of the house they often need support. On looking at the order paper it will be seen that the first resolution refers to the grading of wheat. That matter itself could very well stand over until after the budget debate with no serious result, but it is intertwined and interlocked with matters of vital importance to western Canada, one of them being the mixing of grain and I know that members on both sides of the house are anxious to have this question proceeded with and sent to committee in order that the other matters which are of pressing importance and which will possibly necessitate legislation during this session may be investigated without loss of time. If the matter stands until after the budget debate is concluded, probably two weeks of valuable time will be lost, and I think it important that this question go to the committee at once. It will not take very long, and if Monday were allowed for private members the matter would go to the committee and they would have something of importance to proceed with.

Mr. ROBERT GARDINER (Acadia): I desire to support the views of the hon. gentlemen who have preceded me. There are some very important questions which should go to the agriculture committee, and if the hon. member for Qu'Appelle (Mr. Millar) is given an opportunity to bring up his motion on Monday it will give the agriculture committee an opportunity to look into some questions affecting the grain act which we in western Canada feel should be dealt with this session. Therefore I would suggest to the Prime Minister and his colleagues that Monday remain private members' day and that we proceed with the budget on Tuesday.

Mr. MACKENZIE KING: Naturally the desire of the government is to meet the convenience of the house and particularly the wishes of hon. gentlemen leading other parties. May I say that I believe there is a desire on the part of members of the house to conclude the debate which has been in progress during the last few days on the motion regarding the disposition of natural resources, moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I had thought there might be some expression of opinion as to the desirability of concluding that debate before continuing with the budget debate, and if that request had been made I was prepared to grant it, more particularly since, having regard to the sequence of the order paper, I doubt if it would come up again for some time this session. The motion now appears under public bills and orders and from now on, for the remainder of the session, the notices of motion of private members will be reached before public bills and orders are taken up. I would not say that this motion will not come up again, but there is the probabilty of considerable delay. If hon. members would like to dispose of that motion and also consider the other motion to which reference has been made, I have no objection to amending my resolution in order to permit these two matters to be proceeded with prior to the continuation of the debate on the budget. I think that would suit the convenience of all.

Mr. GUTHRIE: That would be satisfactory to this side of the house.

Mr. WOODSWORTH: It would be highly satisfactory if the motion in my name could be proceeded with; I think it would be more satisfactory to all sections of the house if it could be disposed of and not left until after the debate on the budget.

Mr. SPEAKER: Shall the motion as amended be agreed to?

Motion as amended agreed to.

RULES OF THE HOUSE

PROPOSED REFERENCE OF CERTAIN ESTIMATES TO COMMITTEE—THIRD READING OF BILLS

On the orders of the day:

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, the following motion appears on the order paper under date of February 26:

Resuming the adjourned debate on the motion of Mr. Morin (St. Hyacinthe-Rouville) for the concurrence in the first report of the select standing committee on standing orders.

As this is a very important matter relating to the conduct of the business of this house, and as a number of the members are absent during the early hours of the Monday sessions, I would ask that we be assured that this matter will not be brought up on Monday.

Mr. MACKENZIE KING: I am prepared to give that assurance to the hon. member.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF HON. J. A. ROBB, MINISTER OF FINANCE

Hon. J. A. ROBB (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. SPEAKER: In accordance with the rules of the house on Fridays the Speaker leaves the chair without question put, but by unanimous consent this motion may be put.

Mr. ROBB: Mr. Speaker, the general optimism prevailing throughout Canada has, during recent months, been so widely reflected and strongly emphasized in provincial legislative assemblies, annual reviews and financial statements that, in presenting this annual budget, little need be said beyond submitting official figures which, when analysed and compared with the records of previous years, will show a steady and continuous reduction of both debt and rates of taxation.

The fiscal year ends, as hon. members know, on the 31st of March, consequently, when on the 16th of February, 1928, the annual budget statement for 1927-28 was presented, it was necessary to make an estimate of the total revenues and expenditures. The public accounts for that year have since been tabled and give in detail the various revenues and expenditures and show that, after transferring certain old and doubtful assets and soldier settlement loan adjustments from active to non-active assets, the actual net debt reduction for the fiscal year 1927-28 was $50,984,137.17.

Fiscal Year 1928-29

Revenues

For the fiscal year 1928-29, which ends on the 31st March, it is estimated that the ordinary revenues will be $450,000,000, which, with special receipts from reparation payments of $3,500,000 and receipts of $1,400,000 from the Imperial government in final adjustment of disputed claims, together with $42,000 miscellaneous receipts, makes total estimated revenues for the year of about $454,942,000. This will be an increase of some $25,000,000 over the revenues for the year 1927-28.

It is estimated that customs revenues will be $185,000,000, an increase of $28,000,000 over the previous year; excise duties $63,400,000, an increase of $6,000,000; income tax $58,500,000, an increase of $1,900,000; interest on investments (including $1,500,000 interest derived from temporary investments of our surplus cash holdings), $11,600,000, an increase of $660,000; and revenues from other sources $16,350,000, an increase of $840,000.

Services which it is estimated will show decreases are: excise taxes, sales, stamps, etc., $81,500,000, a decrease of $8,700,000 from the previous year; delayed business profits tax $450,000, a decrease of $500,000; Post Office $31,000,000, a decrease of $560,000; and miscellaneous services $2,200,000, a decrease of $370,000.

Expenditures

Our ordinary expenditures for the year, Mr. Speaker, are estimated at $355,200,000. This includes payments made under authority of the Maritime Freight Rates Act, 1927, of $2,992,000 to meet the twenty per cent reduction in maritime freight rates, and $4,303,000 to meet deficits on eastern lines. It also includes $1,600,000 by way of special grants to the maritime provinces, $800,000 to be paid to the provinces of British Columbia, Saskatchewan, and Manitoba as the Dominion's share of old age pensions payments, and $2,190,000 to the Federal District Commission under authority of the Federal District Commission Act as amended in 1928.

The capital expenditures are estimated as $24,150,000 and special expenditures at $1,937,000. In addition, loans in cash to the Canadian Government Merchant Marine are estimated at $1,000,000 and to the Quebec Harbour Commission $2,873,000. As these loans are carried as non-active assets the amounts are included as expenditures for the year. The total estimated expenditures will, therefore, be $385,160,000, an increase of $22,332,000 over the expenditures of the previous year.

Surplus $69,782,000

By deducting the estimated total expenditures of $385,160,000 from the estimated total revenues of $454,942,000, it will be observed that the estimated surplus of revenues over all expenditures for the current fiscal year is $69,782,000.

Mr. Speaker, for the convenience of hon. members, may I, with the consent of the house, place on Hansard a comparative summary showing the actual revenues and expenditures by services for 1927-28 and the corresponding estimated revenues and expenditures for the current fiscal year; also a statement of the estimated ordinary revenues and the estimated expenditures, by services, for the present fiscal year, together with their percentages to the total revenues or expenditures as the case may be.

Revenues

Ordinary Revenue	Actual 1927-28	Estimated 1928-29	Increase	Decrease
	$	$	$	$
Taxation Revenue—				
Customs Import Duties	156,985,818	185,000,000	28,014,182	
Excise Duties	57,400,897	63,400,000	5,999,103	
War Tax Revenues—				
Excise Taxes (Sales, Stamps, etc.)	90,222,931	81,500,000	.....	8,722,931
Income Tax	56,571,047	58,500,000	1,928,953	
Delayed Business Profits Tax	956,031	450,000	.....	506,031
Miscellaneous Taxes	2,569,078	2,200,000	.....	369,078
Total Revenue from Taxation	364,705,802	391,050,000	35,942,238	9,598,040
Interest on Investments	10,937,822	11,600,000	662,178	
Post Office Revenue	31,562,580	31,000,000	.....	562,580
Dominion Lands and Parks	3,688,595	4,000,000	311,405	
Canada Grain Act	2,677,878	3,000,000	322,122	
Miscellaneous Receipts	9,145,306	9,350,000	204,694	
Total Ordinary Revenue	422,717,983	450,000,000	37,442,637	10,160,620
Special Receipts				
German Reparation Payments—				
Under Dawes Plan	3,002,048	3,500,000	497,952	
Arrears—Pre-Dawes	3,789,430	.....	.....	3,789,430
Refunds of Previous Year's Expenditure on War and Demobilization	204,974	42,000	.....	162,974
Received from Imp. Govt. in final settlement of disputed accounts	.....	1,400,000	1,400,000	
Miscellaneous	133,117	.....	.....	133,117
	429,847,552	454,942,000	39,340,589	14,246,141
			14,246,141	
Estimated Increase	.....	.....	25,094,448	

Expenditures

Ordinary Expenditure				
Interest on Public Deby	128,902,945	125,000,000	.....	3,902,945
Pensions	39,778,130	42,000,000	2,221,870	
Subsidies to Provinces	12,516,741	12,550,000	33,259	
Soldier and General Land Settlement Administration	1,334,008	1,400,000	65,992	
Soldiers' Civil Re-establishment	6,958,611	7,900,000	941,389	
National Revenue	11,801,331	13,300,000	1,498,669	
Post Office	31,782,968	33,250,000	1,467,032	
National Defence	15,864,188	18,000,000	2,135,812	
Agriculture	6,487,766	7,390,000	902,234	
Public Works—Chargeable to Income	14,037,366	17,500,000	3,462,634	
Ocean and River Service	3,749,105	4,700,000	950,895	
Dominion Lands and Parks	4,082,752	5,100,000	1,017,248	
Trade and Commerce	4,015,985	4,600,000	584,015	
Special Grant to Maritime Provinces	1,600,000	1,600,000		
Maritime Freight Rates Act—				
Due to 20% reduction in Freight Rates	1,353,465	2,992,000	1,638,535	
Deficit on Eastern Lines (C.N.R.)	2,117,936	4,303,000	2,185,064	
Old Age Pensions Act	131,452	800,000	668,548	
Federal District Commission	.....	2,190,000	2,190,000	
Civil Government	11,576,140	12,300,000	723,860	
Other Expenditures	38,077,072	38,325,000	247,928	
Total Ordinary Expenditure	336,167,961	355,200,000	22,934,984	3,902,945
Special Expenditure				
Adjustment of War Claims	1,860,985	150,000	.....	1,710,985
Miscellaneous Charges to Consolidated Fund	1,705,311	1,787,000	81,689	

Expenditures—Concluded

——	Actual 1927-28	Estimated 1928-29	Increase	Decrease
	$	$	$	$
Capital Expenditure				
Public Works	1,373,633	1,190,000	.....	183,633
Public Works, Marine Department	1,907,464	2,760,000	852,536	
Railways	3,591,646	6,960,000	3,368,354	
Canals	13,762,905	13,240,000	.....	522,905
Loans and Advances Non-Active				
Canadian Government Merchant Marine	999,837	1,000,000	163	
Quebec Harbour Commission	1,458,000	2,873,000	1,415,000	
	362,827,742	385,160,000	28,652,726	6,320,468
	.....	.....	6,320,468	
	.....	.....	22,332,258	
Surplus of Revenues over Expenditures	67,019,810	69,782,000	.....	

Estimated Ordinary Revenues for the Fiscal Year 1928–1929 by Services with Percentages to Total Revenues

——	Amount	Percentage of total Revenue
	$	
Special War Tax Revenue—		
Excise Taxes (Sales, Stamps, etc.)	81,500,000	18·11
Income Tax	58,500,000	13·00
Delayed Business Profits Tax	450,000	0·10
Miscellaneous Taxes	2,200,000	0·49
Total Special War Tax Revenue	142,650,000	31·70
Customs Import Duties	185,000,000	41·11
Excise Duties	63,400,000	14·09
Total Revenue from Taxation	391,050,000	86·90
Interest on Investments	11,600,000	2·58
Post Office Revenue	31,000,000	6·89
Dominion Lands and Parks	4,000,000	0·89
Canada Grain Act	3,000,000	0·66
Miscellaneous Receipts	9,350,000	2·08
	450,000,000	100·00

Estimated Expenditures for the Fiscal Year 1928–1929 by Services with Percentages to Total Expenditures

——	Amount	Percentage of total Expenditure
	$	
Principal Expenditure attributable to the Great War		
Interest on Public Debt (Increase over 1914)	112,107,000	29·11
War Pensions	40,600,000	10·54
Soldiers' Civil Re-establishment	7,900,000	2·05
Soldier Land Settlement Administration	1,400,000	0·36
Imperial War Graves Commission	574,000	0·15
Battlefields Memorials	180,000	0·05
Adjustment of War Claims	150,000	0·04
	162,911,000	42·30

Estimated Expenditures for the Fiscal Year 1928–1929 by Services with Percentages to Total Expenditures—*Concluded*

	Amount	Percentage of total Expenditure
	$	
Other Fixed and Public Debt Charges		
Interest on Public Debt (as of 1914)	12,893,000	3·35
Other Pensions	1,400,000	0·36
Superannuation	1,450,000	0·38
Subsidies to Provinces	12,550,000	3·26
Expenses of Loan Flotations	10,000	
Premium, Discount and Exchange	70,000	0·02
	28,373,000	7·37
General Expenditure		
Charges of Management	975,000	0·25
Civil Government	12,300,000	3·19
Administration of Justice	2,200,000	0·57
Legislation	2,400,000	0·62
Penitentiaries	1,800,000	0·47
Agriculture	7,390,000	1·92
Immigration and Colonization	3,000,000	0·78
Health	900,000	0·23
National Defence	18,000,000	4·67
Royal Canadian Mounted Police	2,800,000	0·73
Public Works—Chargeable to Income	17,500,000	4·54
Railways and Canals—Chargeable to Income	1,250,000	0·32
Mail Subsidies	1,050,000	0·27
Ocean and River	4,700,000	1·22
Lighthouse and Coast	2,900,000	0·75
Steamboat Inspection	140,000	0·04
Fisheries	2,000,000	0·52
Mines and Geological Survey	700,000	0·18
Scientific Institutions	1,100,000	0·29
Indians	4,600,000	1·19
Government of the Northwest Territories	460,000	0·12
Government of the Yukon Territory	180,000	0·05
Miscellaneous	2,436,000	0·63
National Revenue (Outside Service)	13,300,000	3·45
Post Office (Outside Service)	33,250,000	8·63
Public Works—Collection of Revenue	950,000	0·25
Railways and Canals—Collection of Revenue	2,600,000	0·68
Dominion Lands and Parks	5,100,000	1·32
Trade and Commerce	4,600,000	1·19
Labour	1,400,000	0·36
Public Printing and Stationery	200,000	0·05
Miscellaneous Consolidated Fund Charges	1,787,000	0·46
Capital Expenditure—		
Public Works	1,190,000	0·31
Public Works, Marine Department	2,760,000	0·72
Railways	6,960,000	1·81
Canals	13,240,000	3·44
	178,118,000	46·22
Total Estimated Expenditure on Government Services	369,402,000	95·89
Other Expenditures		
Maritime Freight Rates Act—Estimated amount required—		
Due to 20% reduction in freight rates	2,992,000	0·78
Deficit on Eastern Lines (C.N.R.)	4,303,000	1·12
Special Grant to Maritime Provinces	1,600,000	0·42
Old Age Pensions Act	800,000	0·21
Federal District Commission Act	2,190,000	0·57
Loans to Quebec Harbour Commission	2,873,000	0·75
Loans to Canadian Government Merchant Marine	1,000,000	0·26
Grand Total	385,160,000	100·00

Reduction in Net Debt 1928-29, $69,782,000

Mr. Speaker, having dealt with the revenues and expenditures, the attention of hon. members is now directed to the net debt of Canada which, at the beginning of the present fiscal year, amounted to $2,296,850,232. At the close of the present fiscal year it is estimated it will be $2,227,068,000 or a reduction during the year of $69,782,000. This reduction is arrived at as follows: To the $94,800,000 surplus of ordinary revenues over ordinary expenditures is added special revenues of $4,942,000, being reparation payments and receipts from the Imperial government in final adjustment of disputed claims, thus giving a total of $99,742,000. There are, however, certain other expenditures which must be deducted to arrive at the net decrease in debt. These are: special expenditures on account of adjustment of war claims and miscellaneous charges against consolidated fund $1,937,000; capital expenditures $24,150,000; loans to Canadian Government Merchant Marine, $1,000,000; loans to Quebec Harbour Commission, $2,873,000, making a total of $29,960,000 which deducted from $99,742,000 will result in a reduction in the net debt for the present fiscal year of $69,782,000.

In connection with the debt reduction which the Dominion is again able to accomplish, may attention be directed, Mr. Speaker, to our record in that regard. An examination of the public accounts shows that for a period of fifty-six years, from confederation to March 31, 1923, the net debt was increased year by year with the exception of the fiscal years 1871, 1882, 1900, 1903, 1904, 1907, 1912 and 1913. From the beginning of the fiscal year 1923-24 to the end of the present fiscal year, the net debt has annually decreased, the total reduction in the six-year period amounting to about $226,708,000, or a yearly average reduction of some $37,700,000.

Public interest naturally centres in what has been accomplished in the post-war period; may a survey, therefore, be made commencing with the fiscal year 1921-22. The net debt that year was increased by approximately $81,000,000. For the purposes of eventually effecting a balanced budget, provision was made in the budget of 1922 for certain additional taxation. The major increase was made in the sales tax where the rates were increased fifty per cent over the then existing tax. There was also an increase in the stamp tax. These taxes have been steadily decreased year by year until to-day they are considerably less than the rates of 1922. Certain other taxes, generally classed as manufacturers taxes, were imposed, the articles affected being automobiles, confectionery, cigars, ale and beer and other beverages; these have since been repealed or removed with the exception of the tax on ale and beer, cigars and part of the automobile tax.

The additional revenues thus received, aided by economies in expenditures, in 1922-23 resulted in a lessened increase of net debt by $50,000,000 as compared with the previous year. The following year the era of surpluses and debt reduction commenced, and, as already stated, the net debt for the six-year period has been reduced $226,708,000. In addition, through reductions in the rates of taxation in force in 1922, the sum of $241,000,000 has been remitted to the taxpayers.

Retirement of Maturing Loans

On the 15th October, 1928, the five-year five per cent refunding loan of 1923, amounting to $53,000,000 matured. Previous to the date of maturity $20,866,400 of these bonds were purchased in the open market, thus effecting a saving in interest of $482,000. The balance of the bonds, amounting to $32,133,600, was redeemed in cash at maturity. The saving in interest resulting from this redemption will be $2,650,000 annually.

Mr. Speaker, as the interest charges on the national debt are large, it is a source of general gratification that each year witnesses a reduction. Seven years ago, on the 1st April, 1922, the annual interest charge on bonds, debentures and treasury bills outstanding in the hands of the public, amounted to $133,482,113. On the 1st April, 1929, we will have an annual interest liability of $117,142,100, a decrease of $16,340,013. This saving in interest includes the redemption of our bonds held by the Imperial government which by agreement in 1923-24 were cancelled and written off against advances made by the Dominion to the Imperial government.

On the 1st August, 1929, the 5½ per cent loan of 1919, amounting to $60,000,000, matures. The government will be in a position to take up this loan out of surplus revenues and thereby effect a further annual interest saving of $3,300,000.

For the information of hon. members, and with their unanimous consent, a statement is now placed on Hansard showing the outstanding funded or dead weight debt in the hands of the public. In doing this it might well be observed that on 31st March, 1914, the dead weight debt in the hands of the public was $303,560,938, while the debt to-day is

$2,330,835,086. It means that our annual interest charge of $117,142,100 on the funded debt represents one-quarter of our present yearly revenues. The policy of this administration to provide annually for a substantial reduction of the maturing obligations causes a saving in interest, an improvement in our national financial reputation and paves the way for further taxation reductions towards the pre-war level.

Public Debt

Maturing dates by years

Funded Debt

Date of maturity	Name of loan	Rate %	Where payable	Amount of loan	Amount maturing during year
				$	$
1929 Aug. 1...	Bond Loan 1919-29....	5½	New York.....	.....	60,000,000 00
1930 Feb. 1...	Refunding Loan of1926	4½	Canada.....	20,000,000 00	
Dec. 1...	3 year notes.....	4	Canada and New York.	45,000,000 00	
					65,000,000 00
1931 April 1...	Public Service Loan 1916.....	5	New York.....	25,000,000 00	
Oct. 1...	War Loan 1916-31.....	5	Canada.....	52,931,600 00	77,931,600 00
1932 Nov. 1...	Renewal Loan 1922....	5½	Canada.....	.....	73,325,150 00
1933 Nov. 1...	Victory Loan 1918.....	5½	Canada.....	.....	446,658,800 00
1934 Nov. 1...	Victory Loan 1919.....	5½	Canada.....	511,910,650 00	
June 1...	Loan of 1884.....	3½	London.....	23,467,206 27	
					535,377,856 27
1935 Aug. 1...	Bond Loan 1915-35....	5	Canada and New York.	.....	874,000 00
1936 Feb. 1...	Loan of 1926-36.....	4½	N. York.....	.....	40,000,000 00
1937 Dec. 1...	Victory Loan 1917.....	5½	Canada.....	236,299,850 00	
Mar. 1...	War Loan 1917-37.....	5	Canada and New York.	90,166,900 00	
					326,466,750 00
1938 July 1...	Loan of 1888.....	3	London.....	8,071,230 16	
" 1...	Loan of 1892.....	3	London.....	18,250,000 00	
" 1...	Loan of 1894.....	3	London.....	10,950,000 00	
" 1...	C.P.R. Loan.....	3½	London.....	15,056,006 66	
					52,327,236 82
1940 Sept. 1...	Refunding Loan 1925..	4½	Canada.....	.....	75,000,000 00
1943 Oct. 15...	Refunding Loan 1923..	5	Canada.....	.....	147,000,000 00
1944 Oct. 15...	Refunding Loan 1924..	4½	Canada.....	.....	50,000,000 00
1946 Feb. 1...	Refunding Loan 1926..	4½	Canada.....	.....	45,000,000 00
1947 Oct. 1...	Loan of 1897.....	2½	London.....	.....	4,888,185 64
1950 July 1...	Loan of 1930-50.....	3½	London.....	.....	137,058,841 00
1952 May 1...	Loan of 1942-52.....	5	New York.....	.....	100,000,000 00
1960 Oct. 1...	Loan of 1940-60.....	4	London.....	.....	93,926,666 66
					2,330,835,086 39

Payable in Canada.....	$1,657,252,050 00
Payable in Canada and New York.....	136,040,900 00
Payable in New York.....	225,874,000 00
Payable in London.....	311,668,136 39
	$2,330,835,086 39

Guaranteed Securities

Certain public services are assisted or allied with our national treasury and a brief survey of our financial commitments in the present fiscal year in connection with the Montreal Harbour Commission and the Canadian National Railway may be made.

Montreal Harbour Commission

During the year the government guaranteed securities of the Montreal Harbour Commissioners, as authorized by chapter 58 of the statutes of 1924, to the amount of $9,000,000. The securities were used in the raising of money needed for the completion of the South Shore bridge.

Canadian National Railway Finances

With the exception of the payments made by the government to cover deficits on the eastern lines, no direct financial assistance was extended to the Canadian National Rail-

way Company apart from certain temporary loans, since repaid. The same situation prevailed as in the previous year, the company's financial requirements being raised in its own name, mainly with the guarantee of the Dominion, but, in part, without such guarantee.

This financial position has been reached gradually. In the early years of government ownership, deficits were met, the lines unified and the system rehabilitated largely at the Dominion's expense. Latterly, however, deficits have been converted into a substantial surplus and the management anticipates that further improvements and extensions, involving new capital, will be self-sustaining.

In the calendar years 1920 to 1927, inclusive, leaving aside interest nominally payable on government advances but not actually paid, the net deficits of the Canadian National Railways amounted to $202,900,000. In the corresponding fiscal years, the Dominion paid in cash to the railways, the sum of $367,700,000. In other words, the government paid all losses and, in addition, supplemented the company's capital by $164,800,000. In earlier years, as hon. members know, the companies were operating as separate units and large advances were made by the government for capital purposes, as well as deficits. Mr. Speaker, with the consent of the house, the record for each of the years 1920 to 1927 will be placed on Hansard.

Calendar Year	Net Income Deficit of Canadian National Railways, exclusive of interest due Government	Payments in cash from Dominion Government (By fiscal years)
	$	$
1920	66,131,996	123,590,232
1921	48,899,807	105,623,699
1922	33,047,222	84,932,579
1923	21,539,731	23,710,617
1924	23,589,376	9,934,453
1925	9,994,383	10,000,000
1926	*2,389,009	10,000,000
1927	2,182,378	.....
	202,995,884	367,791,580

* Surplus.

Coming now to the railway year recently closed, that is, 1928, the railway officials advise that after paying all charges with the exception of interest due the government, the accounts of the company will show a surplus of about $7,000,000. This sum is, therefore, available to the company for capital purposes. The interest due to the government, amounting to over $32,000,000 for the year, is taken into the books of the company as a liability but not paid. As no credit is taken in the books of the government for this unpaid interest, it may be left aside in estimating the outcome of the year's business when considering the government's and the railway's fiscal relationship.

In December last, the government guaranteed an issue of $35,000,000 Canadian National Railway Company 4½ per cent forty-year bonds which were sold by tender. In addition, the company borrowed $40,000,000 by way of temporary loans from Canadian chartered banks. These obligations were issued to finance expenditures on construction and betterments as approved by parliament, and also to refund maturing securities. The following statement indicates the authorities under which these borrowings were made:

Railway Loan Appropriation, 1927-28	$ 5,900,000 00
Railway Loan Appropriation, 1928-29	32,851,890 40
Branch Lines, special Acts	9,500,000 00
Toronto Terminals Railways Act	4,000,000 00
Canadian Northern Income Charge Act, 1928 (refunding)	22,748,109 60
	$75,000,000 00

The net addition in 1928 to the liabilities of the railways, in the form of outstanding long term and short date debt, amounted to $44,800,000. The balance of the borrowings effected during the year was required to provide for the redemption of maturing securities.

Forecast of Revenues and Expenditures

Before leaving the financial accounts, some reference might be made, Mr. Speaker, to the probable revenues and expenditures for the coming fiscal year.

Without being unduly optimistic, the government feels it is warranted in anticipating that, notwithstanding the reductions to be submitted in this budget, the revenues will meet all expenditure obligations and also provide for the redemption of the loan maturing in August next.

The ordinary revenues for the present fiscal year have already been estimated at $450,000,000. It is hoped the ordinary revenues for the coming fiscal year will be at least equal. After making provision for the statutory charges and maturing obligations, the expenditures have been allocated to such votes as will provide for long deferred re-

pairs and needed improvements to the public properties and services, as are required by a growing and prosperous country.

Mr. Speaker, the monthly publication of trade statistics being available to all, it is unnecessary to place on record any extended statement of the volume of the Dominion's external trade. In the first ten months of the fiscal year the Department of National Revenue reports total exports amounted to $1,187,400,000, which, when the total imports of $1,033,300,000 are subtracted, leaves a favourable trade balance of $154,100,000 for the ten months' period.

The remarkable growth in Canada's external trade may be illustrated by the fact that the favourable balance just quoted is almost equal to the total export trade of this Dominion thirty years ago. It might also be noted that a comparison with the pre-war year of 1913-14 shows the 1927-28 exports of fully manufactured goods exceeded the total exports of raw, semi-manufactured and fully manufactured goods in the year 1914. Canadians may well take pride in the great increase in the per capita producing ability of this Dominion.

Unfortunately, no method has yet been devised whereby the ultimate destination of our exports may be determined. This is particularly true in respect to exports of grains which, on the basis of last year's statistics, represent about one-third of the total exports of the Dominion. Vessels oftentimes obtain clearance for the United Kingdom, but unload in European ports. Thus, while our export records shows a credit to Great Britain, the actual destination is some other country or countries. The trade records of both France and Switzerland illustrate this. The import records of the French government show that in the year ended December 31, 1927, France imported from Canada goods to the value of $28,400,000, but our records for the same period credit an export to France of approximately $11,700,000. The Swiss records credit $17,000,000 as the imports from Canada, while our export records state this Dominion only sold $483,000 of goods to Switzerland.

It is gratifying to note the steady development of inter-empire trade. Canada, the pioneer of the British preference, looks on empire trade as the key-stone of its external trade policy and desires in every way to foster closer trading relations throughout the British commonwealth of nations.

Throughout a period of years parliament has authorized the adoption of various commercial treaties with foreign countries, and it will be recalled that last session agreements with a number of countries were accepted. These were formally brought into effect during the year. Sufficient time has not yet elapsed to justify a survey of these arrangements, but the trade reports show that in the fiscal year 1927-28 Canada sold 165 million dollars worth of goods to countries with which we have enjoyed most-favoured-nation treatment over a period of years. From the same countries our purchases amounted to 103 million dollars. This record is a substantial improvement over the fiscal year 1921-22 when our exports to the same countries had a value of about 82 millions of dollars and our imports of 57 millions of dollars.

In 1921-22 the concern of all Canadians was that our dollar should be brought back to par, that the nation's purchasing power be substantially increased, that no man willing to work be out of employment, that Canadian goods become firmly established on the international trading markets and that Canadians, wherever they might be, would feel that the problems of each section were the mutual concern of all.

Our dollar is no longer at a depreciated valuation. Canadians to-day are prospering. Employment is at a high level. Our basic and manufacturing industries are producing large quantities of goods for home consumption and also for the vast external trade outlets which have been developed. Many new trade channels within the British commonwealth are being opened and, in addition, the ever-increasing number of countries with which Canada exchanges most-favoured-nation treatment assists Canadian business to establish permanently "made-in-Canada" goods on the markets of the world.

These, we believe, are factors which, coupled with good crops, have materially assisted in the expansion of our basic industries, encouraged the enlargement and extension of industries throughout the Dominion, and provided much new business for Canadian transportation systems. Our railways, relieved in some measure of pressing financial problems through the general increase of business, are now in a position to extend services to parts of the Dominion where additional traffic will add to their earnings.

Enjoying such advantages and blessed with a fertile soil and vast resources, Canada has many opportunities for developing a well-balanced diversity of production within the Dominion as well as securing permanent trade channels with other nations. In so far as we have a fiscal problem, our task would appear to be that of readjusting, as necessity arises, our customs tariff schedules to meet new conditions, of removing inequalities where in-

quiry proves such to exist, of encouraging greater and more economical production of quality products, of assisting in the utilization of domestic resources and, other things being equal, of favouring those countries which favour our products. In applying these principles, availability of supplies, transportation costs, and the proximity of markets are factors which must be considered if all are to benefit and the Dominion prosper.

The constant expansion within Canada brings new problems. We should recognize that this generation has an obligation to build wisely for the greater to-morrow. The expansion of business within Canada has increased local competition and interlocked the interests of many activities. Add the problems arising out of the varying costs of domestic production, sources of supplies, transportation charges and the location of domestic and external markets. Consider as well the demands for tariff changes of various interests, and it may be of interest to note that there are basic industries applying to the Minister of Finance for increases in customs tariff rates, also manufacturing industries applying for reductions in schedules, and we have an appreciation of some of the domestic problems which must be considered in connection with any tariff revision.

The Advisory Board on Tariff and Taxation has actively investigated numerous requests referred for investigation. Many public hearings have taken place, and the spirit of the applicants before the board, the frankness of the discussions, and the impartiality of the commissioners have created a favourable impression among the Canadian people. It is apparent that it is physically impossible for the advisory board to investigate thoroughly in a few months the scores of applications which have been referred to it and that time must elapse before the government can be placed in possession of the fact-findings, especially in those cases where whole tariff schedules are involved.

This Dominion continues to be one of the world leaders in the volume of its external trade; therefore, problems arising in connection with our foreign trade can never be ignored. As the years go by an increasing quantity of our domestic production must necessarily be marketed abroad. It is our desire to trade freely with any and all who are willing to trade with us. What may, or may not, be possible in this particular necessarily depends in some measure on the purchasing power and the fiscal policies of other countries. The policy of this administration is not a high tariff policy; it is a low tariff policy. Its policy is to encourage production at home and the marketing of our excess of production abroad. In applying this policy both domestic and international factors must of necessity be considered.

In accordance with the fiscal policy of the government, the tariff changes to be submitted to-day are designed to reduce taxation and to lessen the costs of production. The changes to be submitted arise out of references which the Advisory Board on Tariff and Taxation has investigated, and are based on its fact-findings. The board is continuing its inquiries, on which substantial progress has already been made, into several larger problems which involve the consideration of whole tariff schedules and the interrelation of many important Canadian industries. While these inquiries are being pursued, opportunity will be afforded for considering the possible effect on trade of changes being proposed in the tariff schedules of other countries, should they be implemented by legislation.

Dealing specifically with the tariff changes proposed in this budget, the resolutions now submitted provide for a revision of certain tariff items of particular interest to the mining industry. In accordance with the traditional policy of assisting the development of our basic industries, the rates of duty on certain machinery and equipment used in the mining industry have been reduced.

There have been various references before the Advisory Board on Tariff and Taxation of interest to those engaged in the fishing industry and it is proposed to assist that industry further by placing certain articles on the free list.

Representatives of the horticultural industry have stated that it would be of assistance if the tariff rates were reduced on certain apparatus for the purposes of bulb sterilization and determining the maturity of fruit. It is proposed to reduce the duty on such apparatus from 20 per cent to 5 per cent under the British preferential tariff, and from 30 per cent to 10 per cent under the general rate.

Resolutions will be submitted for your approval empowering the governor in council, when satisfied that copper bars are being sold in the country of export at a lower price than for export to Canada, to impose, under the general tariff, a duty on copper rods of one-half cent a pound, to equalize such differential as may exist.

Various reductions are submitted affecting items of concern to Canadian industries and are recommended as measures of assistance to producers in order that their cost of production may be reduced.

In all reductions, where applicable, the British preference has been kept in mind.

Mr. Speaker, a comparison of the fiscal reports shows that each year our surplus has increased, although annual reductions are made in the rates of taxation. If the duty of parliament were simply to preserve a balance of revenues over expenditures, the government might either substantially increase the public undertakings, or, abolish some sources of revenue. The national debt, however, cannot be ignored. The annual interest charges on the funded debt amounting to over 117 millions of dollars, are a direct and pressing charge on the revenues of this country. It is a sound and helpful policy to plan to reduce this non-productive outlay and to do that the national debt itself must annually be reduced. The government is, therefore, again budgeting for debt reduction.

At the same time, following the settled policy of this administration, substantial taxation reductions are again proposed. It is the intention of the government, in addition to other reductions, to abolish as quickly as possible those taxes generally known as "nuisance taxes," and which affect the general public.

Early in the war years, under the Special War Revenue Act, a tax of one per cent was imposed on insurance premiums, other than life or marine. This tax has been a heavy burden to certain companies, particularly farmers' mutuals and the hail insurance companies. This tax is now abolished.

Another tax imposed during the war was the transportation tax, a levy on railway and steamship tickets. It is now felt that this tax can be dispensed with and, effective May 1, it is abolished.

Allied with the transportation tax is the three cent tax on telegrams and cables. This tax was also imposed during the war years. It is another of the nuisance taxes which the government feels our revenues can do without, therefore, it is proposed to abolish it.

The major reduction will be in the sales tax. This year a reduction of one-third of the tax is proposed. The reduction involves a large loss of revenue, but the tax is burdensome and its gradual disappearance meets with general commendation.

For many years there has been a tax imposed on the sale and transfer of shares of stocks. Instead of a flat rate, it is proposed to classify the tax in four divisions on a graduated scale, ranging from one cent to four cents per share, regardless of par values. The change will simplify the collecting of the tax and at the same time will ensure that the government receives a more equitable share of the proceeds resulting from the present-day stock market transactions.

The taxation changes just submitted, on the basis of this year's estimated revenues, represent an estimated loss of revenue of approximately $25,000,000.

The past fifteen years have witnessed the dislocation of many international structures and the financial stability of many countries is not now measured by the possible producing capacity of the citizens, but by the degree of success with which these national governments are able to meet the demands made upon them. Sometimes inability to do so has interfered with general credit and hampered industrial and national expansion.

Happily Canada is not suffering from such a blight. For six successive years the rigid application of a policy of spending less than was collected has made it possible for every activity of the Dominion, including all capital expenditures, to be paid out of current revenues and, in addition, to reduce the national debt. This fiscal record has not only enhanced the international credit of the Dominion, but has also strengthened confidence in our domestic credit markets, thus smoothing the way for the provinces and private enterprises. A healthy business expansion, the government feels, is of the greatest importance to Canada.

In drafting the fiscal program for the coming fiscal year, the government has sought to err on the side of caution. The lightening of the burden of taxation is, admittedly, a sane policy, and to that program this government remains committed. Previous taxation reductions have stimulated business and simplified public financing and it is hoped the experience will again be repeated, but I frankly state that, while the government is prepared to encourage in every way the national progress of Canada, the administration will refuse to support any extravagance in the spending of the taxpayers' money. To this policy we again solicit the support of hon. members in order that at the end of another year it may again be found that, continuing to live within the public income, Canada is able to retire maturing obligations and also to make still further reductions in taxation.

I beg to give notice that when the house resolves itself into committee, I shall move the following resolutions:

1. Resolved, that it is expedient to amend Schedule A to The Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen

of the Acts of 1928, by striking thereout tariff items 113, 215, 363, 369, 437, 438b, 442, 448, 453c, 453e, 453g, 460, 460e, 478a, 696, 777, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of said items, and by inserting the following items, enumerations and rates of duty in Schedule A:—

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
112	Cocoanut, desiccated, n.o.p., per pound	5 cents	6 cents	6 cents
113	Cocoanut, desiccated, unsweetened, per pound	2 cents	3 cents	3 cents
172a	Directories for Free Reference Directory Libraries when imported by publishers of directories for use only in such Free Reference Directory Libraries	Free	Free	Free
208f	Fused borax, commercially or generally known as borax glass	Free	Free	Free
215	Stearic acid, n.o.p.	12½ p.c.	17½ p.c.	20 p.c.
215a	Stearic acid, when imported by manufacturers of candles or crayons for use only in their own factories in the manufacture of candles or crayons	Free	Free	Free
246a	Zirconium oxide	Free	5 p.c.	7½ p.c.
363	Platinum wire and platinum bars, strips, sheets or plates; platinum, palladium, iridium, osmium, ruthenium and rhodium, in lumps, ingots, powder, sponge or scrap	Free	Free	Free
369	Chronometers and compasses, and parts thereof, including cards therefor, of a class or kind not made in Canada, for ships or aircraft	Free	Free	Free
437	Safes, doors for safes and vaults; scales, balances, weighing beams, and strength testing machines of all kinds, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
438b	Automobiles for conveying passengers only, n.o.p., valued at retail at place of production, when new, with standard equipment complete, at not more than twelve hundred dollars each; motor cars or motor trucks (not for railways or tramways) for carrying goods only; motor cycles or sidecars therefor; chassis for motor vehicles specified in this item	12½ p.c.	17½ p.c.	20 p.c.
442	Printing presses, lithographic presses, and type making accessories therefor, also machines specially designed for ruling, folding, binding, embossing, creasing or cutting paper or cardboard, sheet feeding machines, extension deliveries, when for use exclusively by printers, by bookbinders and by manufacturers of articles made from paper or cardboard—including parts thereof composed wholly or in part of iron, steel, brass or wood; machinery and complete parts thereof for printing by photographic methods on plates for use on lithographic and offset presses; stereotypers' and typecasters' blankets or blanketing and press blankets or blanketing used on printing presses, of a class or kind not made in Canada	Free.	5 p.c.	10 p.c.
448	Spraying machines, fruit or vegetable grading machines, apparatus specially designed for sterilizing bulbs, pressure testing apparatus for determining maturity of fruit, incubators for hatching eggs, brooders for rearing young fowl, pruning hooks, pruning shears, hay loaders, potato diggers, fodder or feed cutters, grain crushers, fanning mills, hay tedders, farm or field rollers, post hole diggers, snaths, milking machines, milking machine attachments; centrifugal machines for testing butter fat, milk or cream; pasteurizers for dairying purposes; equipment for generating electric power for farm purposes only, viz: engine, generator, storage battery and switchboard; stumping machines, and other agricultural implements, n.o.p.; and complete parts of articles specified in this tariff item	5 p.c.	10 p.c.	10 p.c.
453c	Ore crushers, rock crushers, stamp mills, rock drills, percussion coal cutters, coal augers, rotary coal drills, n.o.p., and complete parts of all articles mentioned in this item, when for use exclusively in mining or quarrying operations	10 p.c.	15 p.c.	20 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
453e	Engines and complete parts thereof, to be used exclusively in the propulsion of boats or in hoisting nets and lines used in such boats *bona fide* owned by individual fishermen for their own use in the fisheries, under regulations prescribed by the Minister of National Revenue	10 p.c.	12½ p.c.	15 p.c.
453g	Machinery, n.o.p., for the concentration of ores, metals or minerals, viz.: flotation machines, flotation cells, pumps, vibrating and impact screens, jigs, magnetic separators and filters, when for use in the concentration or separation of ores, metals or minerals, and integral parts of all articles mentioned in this item	10 p.c.	15 p.c.	20 p.c.
453j	Ozone generators or airifiers of a class or kind not made in Canada, for use in ventilating garages or automotive work shops	Free	5 p.c.	10 p.c.
460	Sundry articles of metal as follows, when for use exclusively in mining or metallurgical operations, viz: diamond drills, not including the motive power; electrically operated rotary coal drills of a class or kind not made in Canada; coal cutting machines, n.o.p.; coal heading machines; core drills; electric or magnetic machines for separating or concentrating iron ores; furnaces for smelting of copper, zinc and nickel ores; converting apparatus for metallurgical processes in metals; copper plates, plated or not; machinery for extraction of precious metals by the chlorination or cyanide processes; amalgam safes; automatic ore samplers; automatic feeders; retorts; mercury pumps; pyrometers; bullion furnaces; amalgam cleaners; blast furnace blowing engines; and integral parts of all machinery mentioned in this item	Free	Free	Free
460e	Miners' acetylene lamps and parts thereof; miners' safety lamps and parts thereof; accessories for cleaning, filling, charging, opening and testing miners' safety lamps, battery renewal preparations for miners' electric safety lamps; all to be used exclusively in mines	Free	Free	Free
460f	Face loading machines, shaker trough or belt trough conveyors, air engines, flame proof enclosed driving motors for air engines, and integral parts of all motive power or machinery mentioned in this item, to be used exclusively in mining operations	Free.	10 p.c.	12½ p.c.
468a	Machinery of a class or kind not manufactured in Canada for use in the manufacture of nets or netting for the fisheries, when imported by manufacturers for use in the making of such nets or netting in their own factories, but not for use in making nets or netting commonly used for sportsmen's purposes	Free.	5 p.c.	10 p.c.
478a	Iron or steel bands, strips or sheets, number fourteen gauge or thinner, coated, polished or not, and rolled iron or steel sections, not being ordinary square, flat or round bars, whether forged and punched or not, unfinished, when imported by the manufacturers of saddlery hardware and hames for use exclusively in the manufacture of such articles in their own factories	Free.	Free.	Free.
523g	Woven fabrics of cotton, or of cotton and wool, whether coated or not coated with rubber, when imported by manufacturers of card clothing for textile machinery, for use exclusively in the manufacture of such card clothing in their own factories	Free.	Free.	Free.
541c	Woven fabrics of vegetable fibres, coated or impregnated, imported for use exclusively as "brattice cloth" in underground mining operations	Free	10 p.c.	12½ p.c.
569e	Miners' safety helmets, of a class or kind not made in Canada, for use exclusively in mining operations	Free	Free	Free

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
618a	Gaskets of rubber for use in the permanent sealing of cans for food products	Free	7½ p.c.	10 p.c.
632c	Specially designed needles of a class or kind not made in Canada, for use only in repairing fish nets, when such nets are used exclusively for the fisheries, but not for use in repairing nets for sportsmen	Free	Free	Free
682b	Metal swivels, of a class or kind not made in Canada, when used exclusively for the fisheries, not to include swivels for sportsmen's use	Free	Free	Free
689b	Equipment, of a class or kind not made in Canada, and integral parts thereof, for distributing stone dust in mines	Free	5 p.c.	10 p.c.
695b	Drawings or sketches of garments, but not including patterns, when imported in single copies by manufacturers of garments	Free	Free	Free
696	Philosophical and scientific apparatus, utensils, instruments, and preparations, including boxes and bottles containing the same; maps, photographic reproductions, casts as models, etchings, lithographic prints or charts; mechanical equipment of a class or kind not made in Canada. All articles in this item, when specially imported in good faith for the use and by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific or literary purposes, or for the encouragement of the fine arts, or for the use and by order of any college, academy, school, or seminary of learning in Canada, and not for sale, under regulations prescribed by the Minister	Free	Free	Free

The Governor in Council may, from time to time, when he is satisfied that copper bars are being sold in the country of export for consumption therein at a lower price than for export to Canada, by order in council direct that there be substituted for tariff item 779 in Schedule A to the Customs Tariff, the several enumerations and rates of duty set opposite thereto in said Schedule, the following:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
779a	Copper rods when imported by manufacturers for use in their own factories in the manufacture of electrical conductors, the individual units of such electrical conductors not to exceed the area of No. 7/0 gauge conductor, per pound	Free	¼ cent	½ cent

From and after the date of the publication in the Canada Gazette of any such order in council, said tariff item 779 shall cease to be of force or effect and the provisions of said tariff item 779a shall become operative and have the force of law.

The Governor in Council may also, from time to time, rescind any such order in council, and from and after the date of the publication in the manner aforesaid of any such rescinding order in council, item 779a shall cease to have force or effect and item 779 shall become operative and have the force of law.

2. Resolved, that Schedule B to The Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by inserting in the said Schedule B the following items, enumerations and rates of drawback of customs duties:

Tariff Item	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
1067	Plate glass, polished, of a class or kind not made in Canada	When used in the manufacture of laminated glass	99 p.c.
1068	Leather enumerated in tariff item 604 on which duty was paid at the rates of duty set opposite said item	When used in the manufacture of gloves and mitts	33⅓ p.c.

3. Resolved, that any enactment founded on the foregoing resolutions shall be deemed to have come into force on the second day of March, one thousand nine hundred and twenty-nine, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for consumption for which no entry for consumption was made before that day.

Resolved, that it is expedient to amend the Special War Revenue Act, chapter one hundred and seventy-nine of the Revised Statutes of Canada, 1927, as amended by chapter fifty of the Statutes of 1928, and to provide:—

1. That Part III of the said Act be amended by repealing the following sections and subsections:—

Paragraphs (b) and (c) of subsection one, and subsection two, of section thirteen; section fourteen; section fifteen; section seventeen; section eighteen; and section nineteen, thereby repealing the tax on the net premiums received by every company licensed or registered or otherwise authorized to transact in Canada or any province thereof, the business of insurance.

2. That Part IV of the said Act, which imposes a tax on cable and telegraphic messages, be repealed.

3. That Part V of the said Act, which imposes a tax on railway and other tickets, be repealed.

4. That Part VII of the said Act be amended by striking out section fifty-eight and substituting therefor the following:—

58. No person shall sell or transfer the stock or shares of any association, company or corporation, or any bond other than a bond of the Dominion of Canada or of any province of Canada by

(a) agreement for sale;

(b) entry on the books of the association, company or corporation;

(c) delivery of share certificates or share warrants or bond endorsed in blank or payable to bearer; or

(d) any other method whatsoever;

unless in respect of such sale or transfer there is affixed to or impressed upon the document evidencing the ownership of such stock or shares or bond, or a document showing the transfer or agreement for the transfer thereof, an adhesive stamp or a stamp impressed thereon by means of a die of the value of

(a) three cents for every one hundred dollars or fraction thereof of the par value of the bond sold or transferred;

(b) four cents for every share of stock sold or transferred at a price over one hundred dollars per share;

(c) three cents for every share of stock sold or transferred at a price over twenty dollars per share, but not more than one hundred dollars per share;

(d) two cents for every share of stock sold or transferred at a price over three dollars per share, but not more than twenty dollars per share;

(e) one cent for every share of stock sold or transferred at a price of three dollars or less per share.

5. That section eighty-six of the said Act be amended by providing that the rate of the consumption or sales tax be reduced to two per cent.

[Mr. Robb.]

6. That any enactment founded on paragraph one of this resolution shall be deemed to have come into force on the first day of March, 1929.

7. That any enactment founded on paragraphs two, three and four of this resolution shall come into force on the first day of May, 1929.

8. That any enactment founded on paragraph five of this resolution shall be deemed to have come into force on the second day of March, 1929, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day, and to have applied to goods previously imported for which no entry for consumption was made before that date.

On motion of Mr. Guthrie, the debate was adjourned until Tuesday, March 5.

On motion of Mr. Mackenzie King, the house proceeded to the consideration of government orders.

TECHNICAL EDUCATION ACT

The house resumed from February 22 consideration in committee of Bill No. 34, to amend the Technical Education Act.—Mr. Heenan.—Mr. Johnston in the chair.

On section 1—Disposition of unexpended balances.

Mr. STEVENS: The minister was going to tell us what balances were still unused by the various provinces. Will he give that information now?

Mr. HEENAN: The lapsed and unexpended balances together in the several provinces are:

Prince Edward Island	$133,870 01
Nova Scotia	381,840 51
New Brunswick	119,510 07
Quebec	498,193 15
Manitoba	537,402 19
Saskatchewan	705,021 80
Alberta	73,853 03
British Columbia	153,420 78

Ontario has received her full proportion.

Mr. MANION: How were the original amounts determined—by population?

Mr. HEENAN: By population.

Mr. STEVENS: Having had an opportunity to think the matter over, is the minister prepared to make any statement as to the renewal of these grants for a further period of ten years? I should like the minister to be vocal instead of shaking his head, because I want Hansard to get his answer.

Mr. HEENAN: The principle embodied in this bill represents the thought and policy of the government.

Mr. MANION: Is this one of the "unnecessary extravagances" to which the Minister of Finance referred a few minutes ago?

Mr. HEENAN: You will have to ask the Minister of Finance.

Mr. MACKENZIE KING: It is a luxury, not an extravagance.

Mr. MANION: If the house were permitted to vote on the question, without restriction or discipline of any kind, I think the unanimous opinion would be that this, instead of being an extravagance, is a necessary expenditure. I think some of the other unnecesary extravagances which according to the minister have been eliminated might well be replaced by a real expenditure on technical education which is so necessary to the advancement of Ontario and the other provinces of this Dominion.

Mr. GUTHRIE: Will the minister tell us if the three western provinces have made any request that the time for payment of these grants be extended? Are they going into the work of technical education with a view to earning these grants?

Mr. HEENAN: The only request I have had was from Manitoba, and they asked us to extend the act in its present form.

Mr. GUTHRIE: What about Alberta and Saskatchewan; has the minister had any request from either of those provinces?

Mr. HEENAN: No; not that I know of.

Mr. GUTHRIE: Any discussion or correspondence with them?

Mr. HEENAN: I do not think so.

Mr. ADSHEAD: The province of Alberta has about $75,000 coming to it yet. Is that amount for the next five years?

Mr. HEENAN: The amount is $73,853.

Mr. ADSHEAD: For the next five years?

Mr. HEENAN: Yes.

Section agreed to.

Bill reported.

Mr. HEENAN moved the third reading of the bill.

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

Some hon. MEMBERS: Now.

Some hon. MEMBERS: Next sitting.

Mr. MACKENZIE KING: The bill has not been amended, so there is no reason why it should not be read now.

Motion agreed to and bill read the third time and passed.

MILITIA PENSION ACT AMENDMENT

The house resumed from February 22 consideration in committee of Bill No. 33, to amend the Militia Pension Act—Hon. Mr. Ralston—Mr. Johnston in the chair.

On section 1—Computation of pension on compulsory retirement.

Mr. CLARK: I understood the minister to say that this period coincided with that in the Civil Service Act, but I think that is an error, because the civil service period is five years.

Mr. RALSTON: My hon. friend was good enough to point that out to me the other night. It is true that the period does not coincide with the Civil Service Act but the principle is the same; that is, instead of a man being pensioned or superannuated on the basis of his salary at the time of discharge or retirement he is pensioned on an average rate of pay. Under the old retirement act the period was five years and I think under the present act it is ten years. I am glad my hon. friend directed my attention to this point. I understood the period was the same but I have been instructed that what was told me was that the principle was the same.

Mr. CLARK: Why is the three-year period adopted instead of the period contained in the Civil Service Act?

Mr. RALSTON: The reason is that this is the period which always has been in the act, as I understand it, for non-commissioned officers and men. The idea is to put officers on the same basis as non-commissioned officers and men with regard to the computation of their pensions.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

AGREEMENT FOR THE PURCHASE OF ALBERTA RAILWAYS

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee to consider the following proposed resolution:

That it is expedient—

1. To ratify and confirm the agreement dated the 6th day of February, 1929, between His Majesty the King in the right of the province of Alberta and the Canadian Pacific Railway Company and the Canadian National Railway Company, for the purchase of the undertakings of the Edmonton, Dunvegan and British Columbia Railway Company, the Central Canada Railway Company, the Central Canada

Express Company, the Alberta Great Waterways Company, and of the province in respect thereof and also in respect of the Pembina Railway Company.

2. To incorporate the Northern Alberta Railways Company, in which are to be vested the said jointly acquired railways.

3. To authorize the governor in council to guarantee the principal and interest of the securities to be issued by the Canadian National Railway Company, to an amount or amounts fixed from time to time by the governor in council, for the payment of one-half the purchase price and one-half of the obligations assumed under the said agreement.

Mr. E. J. GARLAND (Bow River): Before the motion is agreed to I would like to ask the minister if he is prepared to make a statement on this resolution now, or if he prefers to wait until we go into committee.

Mr. DUNNING: I was going to ask the house, for the sake of convenience with respect to questions which will be naturally asked, to permit me to make my statement in committee, when I think I will have all the information required.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING: The object of the bill which will be based upon this resolution is to authorize the Canadian National Railway Company and the Canadian Pacific Railway Company jointly to acquire the undertakings of the Edmonton, Dunvegan and British Columbia Railway Company, the Alberta Great Waterways Company, the Central Canada Railway Company and the Central Canada Express Company. It will authorize the acquisition of the capital stock of these companies, and the assumption of the undertakings of the crown in the right of the province of Alberta in respect to these railways and also in respect to the Pembina Railway Company. The bill will provide for the incorporation of the Northern Alberta Railways Company, in which are to be vested the jointly acquired railways. It will also ratify and confirm the agreement between the Canadian Pacific Railway Company and the Canadian National Railway Company regarding the joint acquisition and control by the Northern Alberta Railways Company. The basis upon which these lines have been acquired from the government of Alberta involves the assumption of obligations by the two railways aggregating approximately $26,000,000, in addition to the amount required to construct certain lines already under construction or to be constructed. The obligations to be assumed will be as follows:

[Mr. Dunning.]

Cash payment of $15,580,000 in the following instalments:

1. $5,000,000 on June 1, 1929, if the delivery of the undertaking has been made on or before that date.
2. $5,000,000 on June 1, 1933.
3. $5,580,000 on June 1, 1939.
4. Interest on the deferred instalments on the 1st day of June in each year at the rate of 4 per cent per annum.

The new company will assume certain outstanding mortgages as follows:

$3,000,000 (£1,438,356) first mortgage 4 per cent debenture stock of the Edmonton, Dunvegan and British Columbia Railway Company, due December 16, 1942; $2,420,000 first mortgage 4½ per cent bonds of the same company, due October 22, 1944.

The new company will assume the obligation to complete the construction of extensions of existing railways from Wembley and from Whitelaw to the Waterhole district.

Mr. KENNEDY: That is already built.

Mr. DUNNING: The company will assume the obligation to pay to the province the cost of the extensions just mentioned, and the portion of the cost incurred by the province up to the date of the delivery of the line. The new company undertakes to construct and put into operation within five years not less than sixty miles of additional branch line.

The properties transferred by the government of Alberta will be subject to $7,400,000 first mortgage 5 per cent debentures on the Alberta Great Waterways Company, due January 1, 1959, the interest and principal of which the province undertakes to assume. An agreement has been entered into between the two railway companies with respect to the incorporation of this new company whereby the Canadian National and the Canadian Pacific each are to be liable for one-half of the purchase price and one-half of the obligations. That is, the Northern Alberta Railways Company, which is to be formed and which will be incorporated under the bill to acquire, maintain and operate these properties, will have its capital equally supplied by the Canadian Pacific and the Canadian National Railways, and each company is to be entitled to appoint one-half of the directors. The agreement, which will be a schedule to the bill ,will also provide the basis upon which the lines to be acquired are to be operated in relation to the systems of each of the joint purchasers.

That is all the information I desire to present at this stage, Mr. Chairman, except to indicate that following the introduction of the

bill and its second reading I intend to ask the house to send this bill to the railway committee in order that the officers of both roads may be there and give any information and any particulars regarding the agreement between them bearing on the acquisition and operation of the properties. As I say, the agreement will be a schedule to the bill itself and will be available for study by the members of the committee and members of the house between the present time and the time when the bill will be considered in the committee.

Mr. GUTHRIE: To what extent will the Canadian National be obligated, not only with respect to the purchase but with respect to the proposed extensions?

Mr. DUNNING: I mentioned the figure of $26,000,000.

Mr. GUTHRIE: It would be $13,000,000 of that?

Mr. DUNNING: It would be half of that. I used an approximate figure because there will be adjustments between the province and the newly formed company with reference to lines still under construction by the province of Alberta. The Canadian National will also be obligated within five years for one-half of the cost of the sixty miles of branch lines which is provided for in the agreement with the province of Alberta.

Mr. GUTHRIE: What will that cost be?

Mr. DUNNING: I will have to figure that out.

Mr. KENNEDY: As I understand this resolution the Northern Alberta Railways Company will be a subsidiary of both the Canadian National and the Canadian Pacific and any new commitments or extensions required in the nature of branch lines, or a Peace River outlet, will require the sanction of the Canadian Pacific, the Canadian National and the Dominion government. This company would be only an agent for all concerned, and any new capital expenditures would require the cooperation of the two railway companies and the Dominion government.

Mr. DUNNING: It is only natural to assume that this organization in proposing new commitments for itself will decide whether it shall promote them itself. Now, what is itself? Itself is, as the hon. member indicates, a board of directors consisting of one-half Canadian National appointees and one-half Canadian Pacific appointees. This parliament will have to be consulted regarding commitments which involve the assumption of obligation by the Canadian National Railways' half of that board, as it is consulted and must be consulted in connection with the assumption of new obligations by the Canadian National Railway Company.

Mr. CHAPLIN: What would happen in the event of a deadlock?

Mr. KENNEDY: You could not do anything.

Mr. DUNNING: I think the hon. member (Mr. Chaplin) is capable of estimating what would happen in that regard.

Mr. CHAPLIN: My experience in matters of that kind has been that there is seldom an even board of directors: there is always someone who has the say. I want to know who is going to be the deciding factor in this case.

Mr. DUNNING: The arrangement proposed and agreed to by the government of Alberta, and I believe by the legislature of Alberta, and the two companies involves an absolutely even obligation, an even responsibility and an even control.

Mr. IRVINE: Can the minister give some good reason why the Canadian National did not undertake the purchase of these lines itself?

Mr. DUNNING: Many unfair statements have been made in that connection to the detriment of the Canadian National management and I would very much prefer it if my hon. friend who, I know, wants to be fair in the matter, would wait until Sir Henry Thornton and the railway management are before the railway committee in connection with the matter, and let them answer for themselves. I can assure my hon. friends opposite that the record of the Canadian National in connection with the whole matter of this negotiation is one of which they have no reason to be ashamed. I can only give this assurance at this time; I would much prefer that the management answer for themselves in connection with the matter.

Mr. SPENCER: In regard to the joint board of directors that will be appointed from the Canadian National Railways and the Canadian Pacific Railways, is there any arrangement as to which company will have the chairmanship of the board?

Mr. DUNNING: I do not think that is covered in the agreement. It may involve the answer to the question propounded by my

hon. friend from Lincoln. That inquiry might very well be pursued when the authors of the agreement are before us and explaining the details of it.

Mr. CLARK: As the matter now stands, can either one of these railway companies hold up development which the other railway may desire, which the province of Alberta may desire and which even the public generally may desire?

Mr. DUNNING: A hypothetical question like that is difficult to answer from the terms of a legal agreement. The reason why I was delaying for a moment was because I was looking over the agreement in order to find something which might touch directly my hon. friend's question. Quite frankly, I cannot conceive of a situation in which one of the parties to the agreement, backed by public opinion, desires to have certain development of the jointly owned property, to which development the other party can or would impose insuperable objections. Both of these great public service corporations are and must be amenable to public opinion, particularly as one of them is in cooperation with public opinion, as was indicated by the hon. member for Vancouver-Burrard. I do not think we can imagine a situation arising in which the other would conduct a hold-up.

Mr. CLARK: It is obvious that if there is an equal division of directors on the board, one or the other may legally hold the matter up. We know as a matter of fact that over a long period of years the management of one or possibly both of these organizations was distinctly opposed to railway development in the Peace River district. True, they both appear to have altered their attitude at the moment. One has entered into an agreement and the other is now joining with it. But it seems to me a most unsatisfactory arrangement if the Pacific coast and the Peace River district generally must depend upon an equally divided board of directors for an outlet which we at least in the western country consider an essential to the development of that portion of Canada. That particular area presents an opportunity for colonization which is not presented in any other part of the country, and yet either the Canadian Pacific Railway or the Canadian National organization individually can hold up that development.

Mr. DUNNING: No.

Mr. CLARK: It certainly can if the management of this is to be left to an equally divided board.

[Mr. Dunning.]

Mr. DUNNING: Will my hon. friend permit me? He is under a misapprehension.

Mr. CLARK: I hope I am.

Mr. DUNNING: With respect to extensions to the Pacific coast I am aware of nothing which would prevent either the Canadian National or the Canadian Pacific, whichever one of them desires to do so, from building a line which would be owned by itself from a point on this line to any other point on the west coast.

Mr. CLARK: They would have to come before parliament for their charter just as both companies are before parliament this year.

Mr. DUNNING: What bearing has that on the point?

Mr. CLARK: Just this, that it makes it very much more difficult, when these two bodies come before a parliamentary committee and represent that they have assumed a big financial obligation in taking over the Edmonton and Dunvegan, for parliament to come to a decision. Parliament will naturally hesitate to issue a charter to one or the other when the two have joined together in connection with the Edmonton and Dunvegan. We will all naturally be inclined to give that organization an opportunity of extending to the coast north, west or in any other direction that may be advisable, and delay will result unless an independent director is put on the board so as to enable it to make a decision which will be binding on both railways. It will be unsatisfactory if the matter is left to an equal number from each of the organizations.

Mr. DUNNING: What does my hon. friend suggest?

Mr. CLARK: At the moment I must confess I have not had an opportunity of considering the matter as the minister has, but if I had had an opportunity of considering it, I would certainly undertake to make a suggestion. I do not propose to make one offhand.

Mr. DUNNING: I asked the question not with the idea of embarrassing my friend, but because I have been compelled to give consideration to the matter, and because, quite frankly, I cannot see a way out of that particular difficulty save that of the circumstances of the case itself. My hon. friend means that if one of the railways owning the Northern Alberta railway desires to build a line and

the other one does not, that prevents the joint undertaking from constructing it. But it does not prevent the one which desires the construction from proceeding on its own account. That is the position.

Mr. LADNER: Supposing one of these lines entered into an arrangement in regard to the construction of a line south from the Peace river to connect, let us say, with the Pacific Great Eastern on its way south to Vancouver. Under the arrangements as now existing between these two great companies with respect to the Edmonton and Dunvegan, has the company which would undertake such a southern projection of its line the right of operating its cars over the Edmonton and Dunvegan and carrying on its business excepting with the consent of the joint board, or does the agreement give them power to have the right of way, or is there some way in which they could be protected apart from the Board of Railway Commissioners?

Mr. DUNNING: My hon. friend, of course can understand the difficulty I am under in answering these questions by means of chasing through an agreement which is not yet in his hands, but which will be in his hands the moment the financial resolution passes and the bill is introduced. I suggest to my hon. friends, particularly those who are lawyers, the desirability of studying the agreement which is part of the bill itself, in order, let me say quite frankly, to help me in dealing with the matter instead of, in anticipation of the bill being in the hands of members of the commttee, asking me questions relating to an agreement, which questions it is very difficult under the circumstances for me to reply to intelligently.

Mr. LUCHKOVICH: Just a few moments ago I heard the Minister of Railways make some remarks which conveyed to me the idea that public opinion was the factor in railway matters. From my experience in railway matters I have come to the conclusion that the public are ignored.

Mr. DUNNING: The hon. member has not had much experience before the parliamentary railway committee. The railway committee of this parliament, no matter which government is in office, does give painstaking attention to the public interest, and the arguments made by members of that committee. no matter on which side of the house they sit, do, I believe, reflect the opinion of the members of this house in the public interest so far as railway extensions are concerned.

Mr. CLARK: But the minister overlooks that these bills that go before the railway committee are initiated by the railway companies, and not by the public. Public opinion has nothing to do with the initiation of these bills.

Mr. DUNNING: My hon. friend asked me a question relating to the attitude of this parliament towards the public interest in connection with railway construction.

Mr. GARLAND (Bow River): No. The point raised by my hon. friend from Vegreville was that in his experience he had not found that the railways paid any particular attention to the public interest. My own experience has been precisely that, especially in connection with the Canadian Pacific. I am glad to say that we are getting a lot of the difficulties ironed out now, and they are going ahead with construction work that we have been waiting for, in one case, for fifteen years, during which time a perpetual agitation for construction has been sustained. Fortunately we are now getting the needed construction, but it took fifteen years to do it.

There is just one other point. The Minister of Railways a few moments ago said that he could not contemplate a situation where a board of directors of this character, dual in make-up, would, having in their minds the public need, divide equally on a question of important public interest. Was not that what the minister intimated?

Mr. DUNNING: No. I know my hon. friend's misunderstanding is unintentional, and I am not complaining of it—

Mr. GARLAND (Bow River): Perhaps the minister would repeat what he said, so that I can get quite clearly what he had in mind.

Mr. DUNNING: What I mean is this: I cannot conceive of a situation where one of the owners, the Canadian Pacific or the Canadian National, desiring a jointly owned property to follow a certain course of development, and backed by public opinion, would be successfully held up by the other party.

Mr. GARLAND (Bow River): The minister will not be at all surprised, I think, as a result even of his own experience, to know that in connection with the joint ownership of a proposed branch line, just that very thing occurred. For years the joint section of the Rosedale southeasterly branch was held up by one or the other party, and in every case each accused the other of holding it up. I took the matter up with the Hon

George P. Graham when he was Minister of Railways, and we had some pretty heated discussions of the matter in this house. There was a specific instance in which one or other of the parties—I am not levelling any charge against either—deliberately prevented the construction of that line, or possibly both were not anxious for its construction. At any rate, somebody held it up, contrary to the public interest and public demand.

Mr. DUNNING: My hon. friend will permit me to say that my remarks were based upon this particular set of circumstances. The area to be dealt with is large and important. It is not similar at all to a small joint operation covering only a comparatively few miles, but has to do with the operation of a very considerable mileage of railway, serving a very large portion of northern Alberta; in fact, serving practically all of Alberta north of the city of Edmonton, with the exception of some lines that run through the southern part of that area, and I cannot conceive that in such a case the danger which is pointed out is likely to be acute. But I can say this: I am prepared to put before the two railway companies any suggestion which may come from members of this committee or of this house, after consideration, designed to overcome the possibility which apparently my hon. friends fear. I would suggest again that it is possible to discuss this matter with the officers of both companies concerned in the railway committee, where the matter could be threshed out thoroughly, and any remedy that was thought necessary perhaps be devised. I gather that there is no serious opposition in this committee to the joint acquisition proposal, but there is this criticism, properly and fairly made, that joint and equal ownership has in it obviously the theoretical possibility, at all events, of a deadlock.

Mr. LADNER: The practical possibility.

Mr. DUNNING: My hon. friend thinks it is a practical possibility. There I rather part company with him, because of the largeness of the issues which would be involved. We say sometimes that the British constitution is a most impractical thing, that theoretically it is unsound, but, nevertheless, it works partly beause of the largeness of the issues involved, and mainly because of the common sense of the people who are applying it. Now one of the parties to this undertaking will be our nationally-owned railway system, and the other will be the Canadian Pacific Railway, both of them prominent in the public eye, and constantly coming before this parliament in connection with various features of their own undertakings, and under those circumstances I cannot conceive of any large major difficulty arising in which one of the parties, backed by public opinion, and taking one view, would be blocked by the other party. The issues are too large and too important for that danger to be as real as my hon. friends think. That is just my opinion. But in spite of that opinion, if hon. members, after a study of the agreement which they will be able to make when they get the bill in their hands, have any practical suggestions to offer whereby that difficulty could be overcome, I shall be very glad to give consideration to them.

Mr. GARLAND (Bow River): Does the dual ownership of the lines, and what is contingent upon that ownership, extend into the field of future development also; in other words, will this board of directors really have anything to do with extensions? Is that provided for?

Mr. DUNNING: Again I have to chase through page after page of the bill, which my hon. friend will have in his own hands at a later stage, and I wonder if he would not mind dealing with that question when he has a copy of the bill in his hands.

Mr. LADNER: Referring to the point raised by the minister a moment ago, that the issues are too large for any conflict to exist, I would ask him to consider this feature: Supposing in this joint arrangement, you had a board equally divided. For the sake of argument let us assume that the Canadian Pacific decided to build a short cut from the Peace River district to the coast, to Stewart, Prince Rupert, or Vancouver—

Mr. DUNNING: Do not forget Prince Rupert. If you are going to ask hypothetical questions, you might as well cover the whole ground.

Mr. LADNER: I have in mind a southern outlet for the Canadian Pacific. The Canadian National have a direct outlet from Edmonton over their regular line to the coast, but the Canadian Pacific, to get out of the Peace River district must go to Edmonton, and then to Calgary and across the Rockies, so from a railroad point of view it is only natural that the Canadian Pacific should be desirous of building from the Peace River district south, rather than the Canadian National. The point is this: Suppose the Canadian Pacific decided to build such a road. It would be necessary to have some working arrangement with the Edmonton and Dunvegan railway, controlled by the joint board of directors, because the trains would have to go eastward as well as westward.

The point would be reached where that board might very easily arrive at a deadlock with respect to the terms under which the Canadian Pacific Railway would be allowed to operate their connections with the southern road. That is why I contend the arrangement with respect to this particular line is of vital effect to British Columbia to the south, and were the joint board to be equally divided it would not be a good business arrangement. I do not offer this as a final suggestion, but it seems to me, in view of the public interest involved, that the Minister of Railways might have something to say in such a contingency, and in that way protect the interests of the public against the disadvantages that might result from a conflict between the two railway systems through this joint board.

Mr. BRADY: Mr. Chairman, I wish to ask the hon. minister if the proposed agreement between the two railway companies entered into in connection with the Edmonton, Dunvegan and British Columbia Railway will interfere with the work already done by way of survey and reconnaissances in seeking an outlet from the Peace River to the Pacific coast. Will that work be continued? The answer is a vital one; for the question of a Peace River outlet has been a live question in the house since 1925.

Mr. DUNNING: I am of opinion—and of course my hon. friend will understand that it can only be an opinion—that this arrangement will distinctly facilitate rather than hinder that development. While listening to the questions raised by hon. members I have been trying to look through the agreement. As I said before, I did not anticipate having to discuss the agreement at this stage; indeed, it is very doubtful if we are in order in doing so. I would call attention to this last clause in the agreement:

> Disputes arising out of this agreement in respect of any matter within the jurisdiction of the Board of Railway Commissioners for Canada shall be referred to the board. Disputes under clauses 4, 5, 6, 7, 8 and 9 of this agreement, not within the board's jurisdiction, shall be submitted to two arbitrators.
>
> The parties agree to co-operate with fairness and candor towards each other and give effect to this agreement in the most liberal and reasonable manner, to the intent that each of them shall receive a fair and equal share of the benefits of the joint undertaking, subject to the provisions of clause 4 hereof.

Mr. SPENCER: Will the minister give us clause 4?

Mr. DUNNING: This is clause 4:

> The operations of the new company shall always be conducted with due regard to economy, consistent with good railway practice, and having regard to the future requirements of the property and the necessities of the territory to be served.

Mr. KENNEDY: I do not think we can get very far discussing the agreement piecemeal at this stage. This bill proposes to do something that I understand is a new departure in the Dominion, taking into consideration the problem of the development of the Peace River country. It seems to me a better course to pursue would be to get the bill with the agreement before the committee and then we shall have a chance to discuss every phase of the matter.

Mr. DUNNING: Absolutely.

Mr. KENNEDY: The outlet and everything else. I think we ought to let this bill go through and get it in such shape that we can obtain full information with the agreement before us.

Mr. DUNNING: I am sure my hon. friend would be the last to charge me with attempting to stifle full discussion in the committee. I think he will agree that usually I try to afford as full facilities as possible. But as to whether a discussion of this bill can bring about any determination of the outlet question—if my hon. friend desires to have the house on this bill determine the routes and so forth with respect to outlets—then I cannot guarantee it. But I am sure I cannot prevent him from discussing the subject.

Mr. KENNEDY: But as the agreement might bear on the working out of the problem.

Mr. DUNNING: Quite.

Mr. CLARK: Mr. Chairman, before the resolution passes I should like to urge the minister to request these railway companies to come before the committee with a concrete suggestion to make it possible to determine finally matters of policy, even though the respective members of the two companies be equally divided, one on one side, one on the other. There must be some way, by agreement or otherwise, of placing on the board a sufficient number of directors to insure a majority on matters of policy. I cannot urge too strongly this fact. Here are practically the two greatest institutions in this country; they are rivals; there are bound to be differences of opinion between them, and the bigger the matter involved probably the more

decided will be the differences of opinion. We have had enough experience to realize that a small difference of opinion between two great institutions such as these may delay a legitimate project for years and years. So far as the pressure of public opinion is concerned, may I point out that the initiation of any project rests with the boards of directors of these two companies. Where do we find the public opinion which will force these organizations to proceed with a new development? Any public opinion in the Peace River district, or in British Columbia for that matter, is negligible. Public opinion in Canada is largely in the central portions and the middle west where the population exists; that is where there is pressure of public opinion. The pressure of such public opinion as exists in the Peace River country would never be heard here, and the people there could send down all the delegations they liked if there was a difference between the two railway companies without producing any effect. I ask the minister to put it clearly before the two railway companies and to ask them to come before the railway committee with some solution of this difficulty, for I see it is a real difficulty. It should be possible to have a board of directors which can decide a matter of policy one way or the other, and not leave it up in the air simply because there is an equal division of opinion between the directors of the two institutions.

Mr. DUNNING: I shall be glad, Mr. Chairman, to bring this discussion to the attention of the presidents of both railway companies. Of course, we have proceeded somewhat in the dark through not having the terms of the agreement before the members of the committee. I might point out in fairness to my hon. friend from Vancouver-Burrard (Mr. Clark), that in connection with most matters of policy which might be the cause of such a division as he indicates the agreement itself decides. The one matter which of course cannot be decided finally by an agreement relates to extensions—

Mr. CLARK: That is the big thing.

Mr. DUNNING: Wait a moment. This is definitely set out in the bill itself. As to certain branch lines and the building within five years of a further sixty miles, those points are covered in the agreement. So far as the operation of the property is concerned, I believe the agreement is devised in such a manner as to overcome any possibility of difficulty through differences of opinion on matters of policy. With respect to extension, may I point out again that when I spoke of public opinion a little while ago I had in mind public opinion in cooperation with one of the parties to the agreement. I admit freely, in connection with any proposal to extend the Northern Alberta Railway Company's undertaking, that if both the owners do not wish to initiate it, it cannot very well be initiated.

Mr. LADNER: Suppose one of them does.

Mr. DUNNING: Suppose one of them does, and assuming it is the major undertaking which my hon. friends all have in their minds —although they have in their minds very different major undertakings and probably would not agree among themselves as to which particular major undertaking would be the best—

Mr. LADNER: Surely they would; you are wrong there.

Mr. DUNNING: I am glad to hear it. If there is absolute unanimity—and is my hon. friend stating that there is absolute unanimity as to where a western outlet from the Peace river should go, and by what route it should go through—will he say—

Mr. LADNER: Pretty well.

Mr. DUNNING: Well, he is a courageous man. I am sure the hon. member for Peace River—

Mr. KENNEDY: Which member is it?

Mr. DUNNING: Exactly; and that is the best answer that can be given. Now the point I was at is this: that with respect to a major undertaking which would relate itself to the lines of this company, if one of the joint owners desires to go ahead with it, and has public opinion with it, I see no reason why it cannot be dealt with as an undertaking of the one desiring it instead of an undertaking of the joint company.

Mr. LADNER: But if the two companies did not cooperate it would not be possible, and how would public opinion be expressed?

Mr. DUNNING: Again I must say that lawyers have been looking into these considerations. If my hon. friend will only wait until he gets the agreement before him he will be able to answer that question for himself, and any further doubt he has he can put before the officers of the companies responsible for the drafting of the agreement.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon

moved for leave to introduce Bill No. 71, to incorporate the Northern Alberta Railways Company, and respecting the Canadian National Railway Company and the Canadian Pacific Railway Company.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall said bill be read the second time?

Mr. DUNNING: Now.

Mr. FRASER: Where are we going to discuss the general principles of the bill if the second reading takes place now?

Mr. DUNNING: As regards the general principle that such a company should be incorporated and owned in the manner set out in the resolution, that principle is being decided now. I am in the judgment of other hon. members, but I think that is the position. So far as discussion is concerned, and the possibility of amendment, I undertake that there shall be the freest opportunity before the railway committee and again when the bill returns here in committee of the whole. I gave that undertaking to my hon. friend from Peace River (Mr. Kennedy). I move that the bill be read the second time.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

CANADIAN NATIONAL RAILWAYS

QUEBEC, MONTREAL AND SOUTHERN RAILWAY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to provide that the Canadian National Railway Company may purchase the undertaking and railway of the Quebec, Montreal and Southern Railway Company for $6,000,000; and that the governor in council may guarantee the principal and interest of securities to be issued for this purpose by the Canadian National Railway Company, not exceeding in aggregate face value such amount as the governor in council may consider sufficient to raise the said sum.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING: The Quebec, Montreal and Southern railway extends from a junction with the Canadian National railways at St. Lambert, opposite the city of Montreal, easterly along the south shore of the St. Lawrence river through the city of Sorel and through Yamaska to Fortierville, a distance of 110 miles, with a branch extending in a southerly direction from Bellevue junction, which is five miles southeast of Sorel, to a connection with the Canadian National Railways at Noyan, a distance of 81 miles, passing through St. Hyacinthe and Iberville.

The railway throughout its entire distance passes through a very good farming country and serves St. Lambert, Longueuil, Boucherville, Varennes, Vercheres, Contrecoeur, Sorel, Nicolet, St. Aime, St. Judes, Pierreville, La Baie, St. Hyacinthe, and Iberville.

The population served exclusively by this railway is 85,000, and the total population of the territory served is 217,000, of which 135,000 is served jointly by the Quebec, Montreal and Southern and other railways.

The tonnage handled by this railway amounts to 650,000 tons annually.

The purchase price of this railway is $6,000,000.

The cost of reproduction, less depreciation, of the railway, exclusive of equipment is $4,200,000. The equipment cost of reproduction, less depreciation, is $1,900,000.

Through the purchase of this line the Canadian National Railways will be able to effect economies in the operation of lines on the Levis division to the extent of $150,000 per year, and expect to make use of this low gradient line for heavy freight service between Montreal and Quebec. The Levis division is the third heaviest traffic division on the system, and consideration has been given for some time to the possibility of effecting grade revisions, so as to reduce the grades on the present line between Montreal and Quebec, which are 1 per cent and the Quebec, Montreal and Southern Railway from Montreal to Fortierville will make it possible to obtain a four-tenths of one per cent gradient between Montreal and Quebec through the construction of a twenty mile connection with the existing line from Fortierville.

The Canadian National Railways desire to purchase this line for the reasons indicated, and it is believed to be a very important and good piece of business from the point of view of the operation of the Canadian National system.

Mr. CLARK: What have been the net earnings for a period of five years?

Mr. DUNNING: I have not that information.

Mr. CLARK: That seems to be the vital thing. Is it worth the money? What will it earn?

Mr. DUNNING: I am not supplied with that information, so if necessary I will leave the matter here. I will be quite frank with my hon. friend; I did not expect to get on with these matters this afternoon and I have before me only a broad memorandum instead

of the large file of information which I usually bring before the committee. However, I can assure my hon. friend that every feature in connection with this proposal can be examined before the railway committee, as in the case of the previous resolution, and the officers of the railway can be examined also.

Mr. KAISER: When shall we be able to get such information as to how long this railway has been in operation, who are its present owners, and its present earnings and financial position? Is the railway a financial success now?

Mr. DUNNING: I believe so; I do not think there is any doubt about that. The present owners are the Delaware and Hudson Railway Company of the United States. This is a United States line in Canada, as I understand it, a subsidiary of the Delaware and Hudson railway.

Mr. KAISER: How are we to obtain the information for which I have asked?

Mr. DUNNING: I propose to refer the bill to the standing committee on railways and canals, where all the information requested by my hon. friend, together with everything else, will be made available by the officers of the company who are recommending the purchase.

Mr. KAISER: But we are not all members of that committee.

Mr. DUNNING: I will undertake to see that these specific questions are answered, and I am sure also that some member of the committee will bear them in mind.

Mr. SPENCER: Has this particular line been on a paying basis up to the present?

Mr. DUNNING: I cannot give my hon. friend the exact details, but I think there is no doubt about it; my answer would be yes. There is no doubt as to the opinion of the management of the Canadian National railways that they can make this a very important link in the system, particularly from the viewpoint of a saving in operating expenditure. The very important point is the economy in operation of the Levis division, estimated by the officers of the company at $150,000 a year, which will be made possible by the acquisition of this line. There is the further feature that this line represents practically a water grade along the south shore of the St. Lawrence between Montreal and Quebec. A grade of four-tenths of one per cent is obtainable over the whole distance by only twenty miles of new construction, whereas the existing Canadian National grades are one per cent on a division which is the third heaviest loaded on the whole system.

Mr. GARDINER: What is the mileage of this road?

Mr. DUNNING: I gave that a while ago; it is 110 miles with a branch of 81 miles, a total of 191 miles.

Mr. GARDINER: What would be the probable cost of the extra twenty miles necessary to make this effective?

Mr. DUNNING: I think one could say roughly that $40,000 a mile would be a fair estimate of the cost. I cannot guarantee that figure, because I do not know the exact nature of the country.

Mr. BOYS: I believe the minister said a four-tenths grade could be secured. What is the present grade on that twenty mile portion?

Mr. DUNNING: The twenty miles of road are not built. The four-tenths grade applies over the 110 miles which would become Canadian National main line, as against a one per cent grade on the existing Canadian National main line.

Mr. KAISER: Has the minister any information as to the cost of that 20-mile stretch?

Mr. DUNNING: I believe there is no difficulty at all in that district.

Mr. GEARY: Does the minister mean to say that the Canadian National railways operate over 100 miles on a steady grade of one per cent, or is that the governing grade?

Mr. DUNNING: I did not say that. I will read again the exact statement of the company in this regard: "The Levis division is the third heaviest traffic division on the system, and consideration has been given for some time to the possibility of effecting grade revisions so as to reduce the grades on the present line between Montreal and Quebec." It mentions the one per cent grade, but when a railway man uses that term it means that one per cent is the controlling grade on the line, and not necessarily that the whole line is on an up-grade of one per cent.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 72, respecting Canadian National Railways and to authorize the acquisition of the Quebec, Montreal and Southern Railway.

Motion agreed to, bill read the first and second times and referred to the select standing committee on railways, canals and telegraph lines.

On motion of Mr. Mackenzie King the house adjourned at 5.15 p.m.

Monday, March 4, 1929

The house met at three o'clock.

PARLIAMENTARY RESTAURANT

Hon. J. A. ROBB (Minister of Finance) moved:

That a message be sent to the senate to acquaint their honours that this house has added the name of Mr. MacLaren to act on the part of the House of Commons as a member of the joint committee of both houses on the restaurant.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

HOG CHOLERA—ESSEX COUNTY

Mr. GOTT:

1. How many hogs were slaughtered in the recent hog cholera epidemic in Essex county?
2. How many hogs were immunized or treated?
3. What is the policy of the department relative to reimbursement?
4. When is it expected, the vote having been exhausted, that reimbursement of losses will commence?
5. What is the approximate loss to the hog raisers?
6. What is the approximate loss to the country in, (a) salaries; (b) expenses; (c) allowances made to farmers; (d) other allowances or expenditures?

Mr. MOTHERWELL:

1. 6,318.

2. 11,736.

3. In order to prevent the spread of infection hogs which are infected or are suspected of being infected with hog cholera and those which are in actual contact with infected hogs on the same premises are ordered to be slaughtered and the carcasses burned or deeply buried.

The Minister of Agriculture may order compensation to be paid for hogs ordered to be slaughtered.

The hogs are valued by the inspector, the maximum valuation allowed under the Animal Contagious Diseases Act being $50 for a pure bred registered hog and $15 for a grade hog. The compensation payable is two-thirds of the valuation placed upon the hog by the Inspector.

No compensation is payable for hogs which have died and compensation may be withheld if the owner has violated the hog cholera regulations.

The veterinary inspector may at his discretion serum treat and quarantine hogs on infected premises, which have not been in direct contact with diseased hogs, provided they have normal temperatures, and can be fitted for the block within a period of three months.

These hogs may only be removed for slaughter by license and no compensation is paid for them.

4. As soon as further funds are made available.

5. The total of the valuations placed on hogs slaughtered is $67,164. The total amount awarded in compensation is $44,776. Accordingly the loss to the hog raisers on account of animals slaughtered presumably amounts to $22,388.

6. Assuming that the words "loss to the country" mean "cost to the country" the answer is as follows, (a) $5,937; (b) $8,038; (c) $44,776; (d) $7,100.

IMMIGRATION—BRITISH ISLES

Mr. DESLAURIERS:

1. How many young immigrants from the British Isles entered Canada during the fiscal year 1927-28?
2. What was the cost, per capita, of said young immigrants?
3. What share was assumed by the Canadian government in the agreement concluded between Great Britain, Canada and certain provinces in connection with the $5,000,000 to be expended during the period of ten years, and with the object of allowing young immigrants between the ages of 14 and 20 to settle on lands in Canada?
4. What provinces are especially interested in said agreement?
5. What was the per capita cost in cash, assistance or otherwise to the Canadian government for the 8,500 harvesters of 1928?
6. How many of them settled in this country?

Mr. FORKE:

1. The total number of British Juvenile immigrants was 2,070.

2. Approximately $45.

3. Canada's maximum advances in loans under the boys' land settlement scheme are not to exceed $2,000,000 for the ten-year period covered by the agreement.

4. Ontario, Manitoba, New Brunswick and Nova Scotia.

5. No cost to the federal government.

6. Upwards of 2,000.

JAPAN

Mr. BARBER:

How many Japanese entered Canada during the calendar years 1927 and 1928, (a) as immigrants, male and female; (b) as other than immigrants?

Mr. FORKE:

(a) Calendar Years	Adult Males	Adult Females	Children under 18 Years	Total
1927.. ..	124	285	102	311
1928.. ..	149	272	114	535

(b) Fiscal Years	Adult Males	Adult Females	Children under 18 Years	Total
1926-27.. ..	751	201	248	1,200
1927-28.. ..	644	165	214	1,023

The non-immigrant figures for the two fiscal years cover only persons with Canadian residence returning from visits abroad. Returns for tourists and persons in transit are not compiled and non-immigrant figures are not available by calendar years.

CANADIAN NATIONAL RAILWAYS—SURVEY WORK

Mr. KENNEDY:

What survey work has been done on Peace pass, the Pine pass or the Monkman pass, by the Department of Railways and Canals or the Canadian National railways during 1928, with reference to ascertaining the relative merits of each as a route for a Pacific railway outlet for the Peace River country?

Mr. DUNNING:

Reconnaissance surveys have been made by the Canadian National railways during 1928:

1st, for a line intended to go through the Peace pass on the north side of the Peace river in the area of the Peace River block; also

2nd, for a line between Pouce Coupe and Hudson Hope and Fort St. John; and

3rd, for a line between Monkman pass and Pouce Coupe.

POST OFFICE SAVINGS BANK

Mr. SPENCER:

1. How long has the post office savings bank division been in operation?
2. How many post offices in each of the last five years have taken savings deposits?
3. How many post offices are there in Canada where the postmaster or postmistress are getting over $200 a year?
4. What has been the aggregate amount placed in the post office savings bank during each of the last five years?
5. What was the highest interest ever paid?
6. When was it reduced?
7. What was the reason for the reduction?
8. What is the maximum any person can deposit annually?
9. What is the maximum any one can have in post office savings, and on which they can receive interest?

Mr. VENIOT:

1. Since April, 1868.
2. 1924, 1,345; 1925, 1,369; 1926, 1,365; 1927, 1,367; 1928, 1,355.
3. 5,900.

[Mr. Barber.]

4. 1924, $7,118,912; 1925, $4,089,059.97; 1926, $3,508,288.52; 1927, $3,178,563.92; 1928, $3,090,-163.81.
5. 4 per cent.
6. October, 1889, reduced to 3½ per cent; July, 1897, reduced to 3 per cent.
7. Recommendation of the Minister of Finance in each case.
8. $1,500.
9. $5,000.

EXPORTATION OF LIQUOR TO UNITED STATES

Mr. SPOTTON:

Does the government contemplate any action at this session to stop the export of liquor to the United States as a result of the visit of the commission from the United States in regard to this matter?

Mr. EULER: This question involves a matter of policy, and, therefore, is one for consideration.

DUMPING DUTY

Mr. BARBER:

1. Did the government by order in council authorize the Department of Customs to impose dump duties on fruit and vegetables under section 43 of the Customs Act during the years 1926, 1927 and 1928?
2. Have any applications been received for refund of dump duties collected under the said order in council?
3. If so, in how many cases and what is the total amount?
4. What was the grounds, and upon whose advice have the said refunds (if any) been made?

Mr. EULER:

1. No. Orders in council were passed under the provisions of section 47A of the Customs Act, now section 43, authorizing the minister to value fruit and vegetables for duty.

2, 3, and 4. No information available, without examination of all claims for refund filed within the last three years which number 163,614.

POST OFFICES—NON-ACCOUNTING

Mr. FRASER.:

1. How many non-accounting post offices are there in each of the provinces of Canada?
2. How many of these non-accounting post offices in each of the provinces have a revenue of $25 per annum or less?

Mr. VENIOT:

Ontario..	925	64
Quebec..	1,249	159
Nova Scotia..	1,398	327
New Brunswick..	818	172
Prince Edward Island..	51	5
Manitoba..	390	48
Saskatchewan..	650	96
Alberta..	448	91
British Columbia..	430	22
Yukon..	9	2

UNOPPOSED MOTIONS FOR PAPERS

BURNABY SHOAL, VANCOUVER HARBOUR

Mr. STEVENS:

For a copy of the government engineer's report regarding the removal of the Burnaby shoal, Vancouver harbour, and a statement showing the tenders received. Also a copy of the successful tender, together with a copy of the contract. Also a copy of all correspondence passing between the government or any official of the government and the successful tenderers.

BENACADIA POND POSTMASTER

Mr. JOHNSTONE (Cape Breton North-Victoria):

For a copy of all telegrams, correspondence and other documents, in possession of the government, relating to the dismissal of James Smith, postmaster at Benacadia Pond, Cape Breton.

CANADIAN NATIONAL RAILWAYS—SPECIAL FREIGHT TARIFF

Mr. PARENT:

For a copy of requests and representations made to the government and to the Canadian National Railways, relative to the city of Quebec sharing with the maritime provinces the special freight tariff rate granted said provinces on the railway line formerly known as the Intercolonial railway.

ROYAL CANADIAN MOUNTED POLICE

Mr. EVANS:

For a copy of the agreement between the Dominion government and the government of Saskatchewan, together with a copy of all letters, telegrams and other documents relating to the installation of The Royal Canadian Mounted Police, to take the place of the Provincial Police of Saskatchewan.

SALE OF LANDS

Mr. CAMPBELL:

For a copy af all letters, telegrams, correspondence, and any other documents in the possession of the government or any department thereof, in connection with the sale of section 26, township 32, range 32, west of the first meridian.

POSTMASTER—SIMCOE, ONTARIO

Mr. STEWART (Leeds):

For a copy of all orders in council, reports, recommendations, correspondence, telegrams, resolutions and other documents on file in any department of the government or the Civil Service Commission, in any way relating to the appointment, cancellation of appointment or dismissal of George E. Whitaker, and the appointment of Charles R. Bowyer to the position of postmaster at Simcoe, Ontario.

PACIFIC GREAT EASTERN RAILWAY EXTENSION

Mr. KENNEDY:

For a copy of all correspondence, telegrams and other documents exchanged between any person or persons and the Department of Railways or any any other department of the government, and between the Canadian National Railways and the British Columbia government, and between the Canadian Pacific Railway and the British Columbia government, and between the Canadian National Railways and the Canadian Pacific Railway, with reference to the survey which will be undertaken jointly by the Canadian National Railway, the Canadian Pacific Railway and the British Columbia government, into the resources of the country which conceivably might be served by any extension of the Pacific Great Eastern Railway.

Mr. DUNNING: I would call the attention of the hon. member to the fact that he is asking for the production of correspondence between the Canadian Pacific Railway and the British Columbia government. I do not think it is within the power of parliament to ask either of these parties to table their correspondence, and I would ask the hon. member to drop those words from his motion and we will gladly produce the rest of the correspondence.

Mr. KENNEDY: That is agreeable to me.

ALBERTA RAILWAYS ACQUISITION

Mr. KENNEDY:

For a copy of all correspondence, telegrams, and other documents exchanged between any person or persons and the Department of Railways and Canals or any other department of the government, and between the Canadian National Railways and the Canadian Pacific Railway and the Alberta government, and between the Canadian National Railways and the Canadian Pacific Railway, with reference to the joint purchase of the Edmonton, Dunvegan and British Columbia Railway, the Pembina Valley Railway, the Central Canada Railway and the Alberta and Great Waterways Railway, in the province of Alberta, since November 1, 1927.

Mr. DUNNING: I urge the same objection to this motion as I did with the previous one, as correspondence between the Canadian Pacific Railway and the Alberta government is being asked for. I would also point out that the date November 1, 1927, overlaps with a previous return, and if the hon. member will withdraw that part of his motion, I will undertake to bring down to the house everything that has not previously been brought down.

Mr. KENNEDY: That is agreeable to me.

BOARD OF GRAIN COMMISSIONERS—DEPARTMENT OF JUSTICE

Mr. GARLAND (Bow River):

For a copy of all letters, telegrams, correspondence, and other documents passing between the Board of Grain Commissioners and the Department of Justice, or between the Department of Justice and the Board of Grain Commissioners during the year 1927.

CONFEDERATION BUILDING

Mr. STEVENS:

For a return showing the specifications upon which tenders were called for the new confederation building on Wellington street, Ottawa, together with a copy of the successful tender and a copy of the contract awarded.

RADIO BROADCASTING

On the motion of Mr. Stevens:

For a copy of the agreement made between Canada and the United States or between officials of the Canadian government and officials of the government of the United States regarding radio broadcasting, together with a copy of all notes or correspondence of any kind passing between the Canadian government or any official of the Canadian government and the government of the United States or any official of the government of the United States during the past eighteen months on this subject.

Hon. H. H. STEVENS (Vancouver Centre): This motion was drafted and handed in before the announcement was made that an arrangement had been arrived at between the Canadian government and the government of the United States. I would ask that it be dropped, if the government would be good enough to lay on the table in the usual way a copy of the arrangements between the two authorities. It was not the two governments; it was officials of the governments who came to an understanding.

Hon. J. A. ROBB (Minister of Finance): All my hon. friend requires is a copy of the agreement?

Mr. STEVENS: Yes.

Mr. ROBB: I will direct the attention of the officials to that.

Motion dropped.

DUMPING DUTIES—REFUNDS

Mr. H. J. BARBER (Fraser Valley) moved:

For a return showing a list of all refunds granted during the years 1926, 1927 and 1928 of dumping duties collected by virtue of orders in council passed under section 43 of the Customs Act as applied to the importation of fruits and vegetables.

Hon. W. D. EULER (Minister of National Defence): There would ordinarily be no objection whatever to bringing down this return, were it not for the enormous amount of work involved in its preparation. To obtain the information required by the hon. gentleman would necessitate the examination of about 160,000 claims. Perhaps my hon. friend will be satisfied if I say to him that, according to the recollection of the Commissioner of Customs, no such refunds whatever were made, and under the circumstances he may be content to let the motion drop.

Mr. BARBER: Yes.

Motion dropped.

EXTRA TERRITORIAL LEGISLATION

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

For a copy of all letters, telegrams, correspondence and/or documents of any character passing between the government of Canada and the government of Great Britain or any department thereof, in regard to the following resolutions, which passed both the senate and the house of commons of Canada:—

1. The resolution passed in 1920 which reads as follows: "Any enactment by the parliament of Canada otherwise within the legislative authority of that parliament shall operate and be deemed to have operated extra territorially according to its intention in like manner and to the same extent as if enacted by the parliament of the United Kingdom."

2. The resolution passed in 1924, which reads as follows: "An enactment intra vires of the parliament of Canada if expressed to operate extra territorially shall be deemed to have had that operation in so far as it is a law for or ancillary to the peace, order and good government of Canada."

Hon. J. A. ROBB (Minister of Finance): In the absence of the Prime Minister, may I ask my hon. friend to allow the motion to stand? It may involve the permission of the government of the United Kingdom.

Motion stands.

BRITISH PREFERENCE

Mr. M. N. CAMPBELL (Mackenzie) moved:

For a copy of all orders in council, letters, telegrams, correspondence, and any other documents exchanged between the government of Canada, the British High Commissioner and the British Federation of Industries, dealing with the regulation effective February 1st last and which regulation calls for fifty per cent empire labour and materials in goods entitled to British preferential rates.

Hon. J. A. ROBB (Minister of Finance): The government offer no objection to this resolution, but I must put in the reservation that we should have the consent of the British High Commissioner before tabling the correspondence.

Mr. CAMPBELL: Might I have the papers, then, any correspondence with the British High Commissioner being eliminated. There would be no objection to tabling the correspondence with the British Federation of Industries.

Mr. ROBB: How does my hon. friend know the British Federation of Industries has no objection?

Mr. CAMPBELL: The British Federation of Industries is just a private organization. Surely there is no objection to tabling any correspondence with them.

Mr. DEPUTY SPEAKER: It is understood that the motion is carried with the reservation as stated by the Minister of Finance.

Motion agreed to.

OLD AGE PENSIONS—YUKON

On the orders of the day:

Mr. GEORGE BLACK (Yukon): I would like to ask the Minister of Labour a question based on a statement made in the current number of the Canadian Congress Journal, the official magazine of the Trades and Labour Congress of Canada. In a short paragraph dealing with the Old Age Pensions Act, the journal states:

> Under provisions of the act the federal government has extended its application to the Yukon and last month further extended it to the Northwest Territories. This latter action was necessary in order to take care of many early pioneers of that district now forming part of the province of Manitoba which until a few years ago was within the northwest territory. Not having actually resided under the jurisdiction of the Manitoba government for twenty years these men who have done so much for the upbuilding of Canada would otherwise have been denied the payment of their full pensions. Another interesting sidelight to this extension of the old age pension to the Northwest Territories is that, as Eskimos are British subjects, and being citizens of Canada they will be entitled to the receipt of pensions after having passed the age of seventy.

I am not so much interested in the Eskimos and the Northwest Territories, but I should like to ask the minister if it is a fact that the Old Age Pensions Act is now in operation in the Yukon? My information is that it is not and that no pensions have been paid or will be paid there.

Hon. PETER HEENAN (Minister of Labour): The commissioner for the Yukon, before he left Ottawa, signed an agreement with the federal government to put the Old Age Pensions Act into effect in the Yukon, but it has to be ratified by the Yukon council. This has not yet been done.

NATURAL RESOURCES

PROPOSAL THAT DISPOSITION BE EFFECTIVE ONLY ON APPROVAL OF PARLIAMENT

The house resumed from Thursday, February 28, consideration of the motion of Mr. Woodsworth:

> That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

And on the proposed amendment thereto of Mr. Guthrie:

> That the motion be amended by striking out the words "natural resources" where they occur in said motion and by inserting in lieu thereof the words "water-powers".

Mr. JOHN EVANS (Rosetown): Mr. Speaker, in addition to what I said the other evening, now that development is being carried on all over Canada in regard to water-powers, minerals and oil lands, it is more than ever necessary that the house adopt as a principle the spirit of the resolution. It is only a few years ago since the Hydro-Electric Power Commission of Ontario, which at present is furnishing a precedent to the whole world in the matter of power supply at cost, had to purchase those valuable water rights at enormous cost. The plant and water rights at Niagara falls had to be purchased from a private corporation. This was property that had been alienated from the people for a mere trifle. The natural resources such as coal, for example, should never have been allowed to fall into private hands, but should have been developed in the interests of the people. New Zealand furnishes a splendid example in that respect. That country owns and operates several of the mines in New Zealand, and the people there are getting their coal at cost price.

To come back to the principle of the resolution, when I first went to western Canada and settled near Saskatoon, I found that the Dominion government had granted some two million acres of land around what is now the city of Saskatoon to what was known then as the Temperance Colonization Society. I had in consequence to go further back from the railroad than otherwise would have been necessary because all the free homesteads between where I settled and the railway had been taken up. This large tract of land that I speak of was given away practically for a song, and under the agreement which

the society had with the government, they had to locate a settler on each section of land within three years. They brought out a good many ne'er-do-wells from Ontario—

Some hon. MEMBERS: Oh, oh.

Mr. EVANS: It is quite true, Mr. Speaker, that there were still a good many left behind. I believe that most of them who came out there were ministers' sons, but that does not count. At all events, after they had exhausted the little loan which the society was allowed to advance to them, they simply pulled up stakes and went away, and any of us who acquired one of those homesteads had to pay five hundred dollars or so, or go further out.

Even after 1896 the same practice continued, but on a much larger scale. This gave rise to suspicion, and a great many of our government heads at that time were brought under suspicion. The Saskatchewan Valley Land Company was a case in point where a tract of land comprising almost as much as an empire was given away. They only paid one dollar per acre for the land, and they were also given the privilege of selling at an enhanced price by giving the settler a free homestead alongside—a privilege which they got from the federal government. Immense areas were disposed of in that way.

When confederation was first mooted, the railway question was the chief problem of government. Indeed, sir, it seems to be still a thorny problem for this government, although our financial ability to cope with it is much greater now than it was then. One of the conditions of the provinces uniting was that a transcontinental railway should be built, and I want to point out that the burden of the construction of this great highway fell particularly on western Canada. The government gave away land that amounted in value, I believe, to more than the whole plant of the Canadian Pacific Railway was worth at any time. The west was not able to defend itself at that time against these injustices, and the whole burden of industry and railway construction fell practically on that part of Canada. Every transcontinental line was built "for the people of the west," to let the politicians tell the tale. The people of the maritime provinces were not even content with a railway which gave them connection with the rest of Canada. Ontario got railways built through a wilderness as big as an empire, at the expense of the people of western Canada. It was really the farmer, with his wife and family, who by sweated labour had to pay the taxes on a billion dollars' worth of land in order to construct roads to get at the sidings of the Canadian Pacific at that time, and to construct schools for their own use.

Since then, this problem has been intensified by the granting of water-powers to private interests, and this has brought another set of privilege seekers to parliament asking favours in this respect. It is very likely—this is more than a guess on my part—that campaign funds are furnished sufficient to elect the henchmen they can trust in this respect. One would think that Canadian statesmen of to-day would hurry to settle this vexed question, and relieve themselves from any suspicion that might arise in the matter of the disposal of these water-power sites and other natural resources. Not only has the great water-power site of the Seven Sisters falls in Manitoba been disposed of, but the great riches of the Flin-Flon areas are now to be exploited for twenty-five years without the people getting any benefit from their God-given resources. The people in that case are simply being plundered, robbed of their own possessions, and this is being done without making any exaction of the company as to permanency of employment, or even as to the rate of wages to be paid in that area.

Mr. McLEAN (Melfort): For the sake of accuracy, may I ask my hon. friend if it is a fact that all the minerals of the Flin-Flon area are to be exploited without recompense?

Mr. EVANS: It is true respecting some concessions which the present company has in part developed.

Mr. McLEAN (Melfort): A small part of it.

Mr. EVANS: I do not know how small it is. Nobody can tell yet what that area comprises.

Mr. McLEAN (Melfort): Does the hon. gentleman apply his remarks to the major part of the Flin-Flon area in the province of Saskatchewan?

Mr. EVANS: What I was going to say was—

Mr. McLEAN (Melfort): That is good.

Mr. EVANS: I was going to say that not long hence labour troubles will arise, expenses will be created, and then what? All I can say is that we are increasing the vote each year for the militia and defence. Troubles are

going to arise in those areas, just as they have done with the British Empire Steel Company, and how are you going to settle them? The west is still bearing the burden of all these things, as well as the burden of the railway construction which formed the basis of confederation, and yet freight rates are higher in western Canada to-day than in any other part of the country. At confederation there was practically no sentiment for union in the maritime provinces or in the other provinces. It was virtually a case of necessity. I question whether to-day there is very much national unity to be found in this Dominion. I go further, Mr. Speaker. The way things are, and judging by the legislation emanating from this house, in all seriousness I say there is not much of a spirit of Canadian unity exhibited here. It does seem to me that the part played by certain areas through their representation in this house is simply a case of grab and grab —get what you can. The Duncan commission was clearly the outcome of party expediency. Its recommendations were carried out for the same reason. Coming back to the west, I understand that by an agreement between the Dominion government, the Alberta government and the Hudson's Bay Company, the company agreed to release certain areas of land in that province, to be later selected from a list that the Minister of the Interior would furnish to the company. Where are these lands to be located? In Saskatchewan? If that is true, it simply gives a clue to the reason for dealing with one province at a time, and the injustice will still be perpetuated against Saskatchewan.

On page 583 of Hansard, in referring to the conferences held by the Dominion government with representatives of the provincial governments, the Prime Minister is reported as follows:

> This government took the position that the right thing to do was to say that we believed the western provinces should be put as nearly as possible in exactly the position they would have been in had they had their resources from the moment they were created as provinces.

Now, the conditions prevailing at the time that these provinces received partial autonomy in 1905 have nothing to do with the conditions on which they should receive their natural resources to-day. The constitution of Canada, the British North America Act, provides explicitly for just such conditions. Manitoba, Saskatchewan and Alberta never entered the union as provinces; they were carved out of an area known as Rupert's Land and the Northwest Territories. These entities entered the Dominion in 1870 by an imperial order in council dated June 23 of that year. It was passed at the request of the Dominion government, which presented an address to Her Majesty requesting that this be done. At that time the provinces of New Brunswick, Nova Scotia, Ontario and Quebec never made any claim whatsoever to any of the natural resources, they never suggested that Rupert's Land or the Northwest Territories ever belonged to the original confederation. The claim put forward the other day by the member for Prince (Mr. MacLean) and other members from the maritime provinces that they had a proprietary right in the natural resources of western Canada would apply just as well to any part of Australia or to any of the territories in South Africa.

Instead of carrying out its trust obligations, the federal parliament in 1872 passed the Dominion Lands Act, by which it appropriated to itself the lands of these new members of the confederation. The rights of these provinces in the matter of their public domain, minerals, water-powers, timber areas, grazing leases, fisheries, and so on, and their rights in regard to education and taxation were defined by the imperial order in council to which I have referred. The Dominion Lands Act ousted these new members from their rightful place in the confederation. The return of their property now must be made on the basis of the imperial order in council of June 23, 1870, when Rupert's Land and the Northwest Territories entered the union as free entities and were entitled to all their rights and possessions just the same as any of the older provinces.

Now, if Rupert's Land and the Northwest Territories entered confederation at that time, no denominational rights then existed in those territories.

It was also provided under section 118 of the British North America Act that a subsidy should be paid by the Dominion government to the several provinces for the support of their governments and legislatures. Canada also assumed the debts of the provinces that entered confederation at that time. So it would seem that Rupert's Land and the Northwest Territories entered the Dominion on much more favourable terms than any other province.

But this is what I should like to impress on the government now. We must be a confederation of states united by unmistakable

constitutional rights or we shall become a series of colonies, more diverse and unrelated as time goes on. I say the Dominion must stop meddling in what is purely local provincial affairs, and I say further that equality of status is the only real basis of union.

Mr. E. A. McPHERSON (Portage la Prairie): Mr. Speaker, it was not my intention when this debate opened to take part in it, but as it proceeded it became noticeable that the original resolution hardly met with the approval of any section of this house. In fact the mover of the resolution recognized this himself in his opening remarks. Afterwards an amendment was moved, the effect of which was to confine the purpose of the resolution to waterpowers.

The major portion of the debate has not centered around the resolution or the amendment in its widest sense but has been restricted to a subject which is now pretty well understood in this house, namely, the disposal of the Seven Sisters water site in the province of Manitoba. Now, discussing the amendment last Thursday, the mover of the original resolution (Mr. Woodsworth) made a few remarks which I think necessitate my stepping into the debate as a member from Manitoba, and especially to put on record my own views and actions in connection with the Seven Sisters discussion. The hon. member's statement, made on February 28, 1929, is found at page 571 of Hansard. It reads:

> I charged that the action of the government was a violation of solemn assurance made to the Manitoba members. This point has been fairly well covered during the course of the discussion. We were told that we would be consulted; I ask if any member of this house says we were consulted when all that has been brought out is that of seventeen members seven were called together in Winnipeg, and the rest of us were not in any way notified.

That statement makes it necessary for me to explain my own position. I cannot agree with the mover of the resolution; although I was not one of the seven members who attended the meeting referred to—in fact I never heard of it until I came to the house— I was consulted by the Minister of the Interior (Mr. Stewart). I may say that my attention was first called to the problem in Manitoba by an article which appeared in the Winnipeg papers, both the Free Press and the Tribune, on the third and fourth days of February last. I shall quote only the article from the Tribune, inasmuch as there is very little difference between the two newspapers so far as the news report is concerned. In the Winnipeg Tribune of February 4 the following appears:

> In answer to a question of Mr. Farmer, M.L.A., Premier Bracken read a telegram sent Thursday to the Hon. Charles Stewart, Minister of the Interior, in which he requested no action be taken in connection with any lease grant which would prejudice the province's application for the site made more than two years ago.
>
> The government, he said, would strongly object to any commitments being made in favour of a private company.

The impression I received, not so much from that telegram as from the discussion in the house, was that the provincial government at that time had in mind the obtaining of this site for the purpose of developing it themselves in connection with their hydro-electric system throughout the province, from Winnipeg west and southwest. And I heartily agreed with them in retaining it if they thought that they could develop it economically as a part of their system. For that reason I signed the document, which has been referred to by the hon. member for Nelson (Mr. Bird), along with other members of the house, asking the Minister of the Interior not to dispose of the site but to retain it for the purposes of the provincial government; and in that document there were added the words, "For the purpose of development with the hydro-electric system".

The hon. member for Nelson stated that we had signed a round robin. I would point out that, like the hon. member for St. Boniface (Mr. Howden), I nearly rose to my feet to object to this statement, because I have no recollection of signing such a document. I do not think for a moment that the hon. member when making that statement intended to mislead the house; I am absolutely satisfied that he did not. But it is only fair to direct the attention of the house to the fact that the execution and signing of a round robin is an entirely different thing from an instrument signed in the ordinary way. A round robin, as I understand it—and this I think is the impression which generally prevails—is a document signed in a circle in order to hide the identity of the person who raises the question. when there is some doubt as to whether that person should be known or not. Such a person is rather ashamed of his action. Now, there was nothing like that in connection with this document. I do not know where I came on the list, but I presume it was signed as submitted to the various members. This document asked that the site be retained for the purpose of the provincial government in connection with their hydro development, and if that government wanted it for that purpose I was personally pre-

pared that they should have it. It was purely a question of business whether it could be logically and economically developed by them. I had a good deal to do with the provincial hydro-electric in Manitoba; in fact, I was a member of the legislature at the time it was started, the government having previously purchased power from the Winnipeg power plant. As to whether they could develop this site or not, is I think, a question which we need not discuss to any extent; and as to whether they entered into a reasonable agreement, I am not very much concerned at the moment. That is a question which we in Manitoba will dispose of when the necessity arises, and the opinion of the province as a whole will, I think, ultimately prevail. But so far as we are concerned here, the fact remains that when I left Ottawa I left with the impression that the Minister of the Interior would consult me in some way before there was any definite disposition of the power site to the province in any form, either directly or indirectly. And I may say right now that the minister, so far as I am personally concerned, fulfilled his obligation to the limit. I met the minister in Winnipeg; I have forgotten the date, but it was the day he arrived from the east, while the Dominion-provincial conference was being held in Ottawa in connection with natural resources. He told me then that he had left the conference in session and that he expected there would be an arrangement whereby the natural resources would be turned over to the province of Manitoba. In view of that situation he asked me what my attitude would be towards the lease of the Seven Sisters. Now my nationality makes me cautious, and I told the minister that I should much prefer waiting until I knew what the terms were before I gave a decided opinion on the matter. A few days or a week afterwards the terms on which the province was to obtain its natural resources became public property, and some time between that and the 10th of August I sent word to the minister that in view of the fact that the natural resources agreement had been amicably settled between the province and the Dominion I personally could see no reason for pressing my views regarding one item of the resources for the purpose of blocking the whole deal. And I withdrew my opposition to the execution of the lease, with one proviso only, namely, that there must be no mistake, if the lease were given to the private company, that it would have to be given on the request of the provincial government and in such a way that there could be no doubt about it, and that the provincial government would have to assume the whole responsibility. On that ground I withdrew my objection. It is only fair to the minister to make this statement. I never saw him afterwards; I was not at the meeting.

Now as to the resolution as a whole, my reasons for opposing it are, I think, based on good grounds. Ever since I can remember, the province of Manitoba has been demanding the return of its natural resources. That and the Hudson Bay railway had been the two great war cries out there as long as I could remember. We have settled the one, and the other is now in shape to be settled. I personally have supported resolutions demanding the return of these natural resources when such resolutions have come up in the local house while I was a member. I did not think it my duty to interfere in any way with the completion of that deal, which has been so long in coming; to me it was not a hurried affair but the result of years of conferences and negotiations, and it could not be concluded too soon.

The effect of the transfer will be to give us complete control, but I cannot quite understand why the amendment has been proposed. I do not see why, if the original resolution was too broad, they should pick upon the water-powers as the one resource which should be retained under the control of this parliament, and there are two reasons why I cannot understand that. The first reason is to a certain extent a matter of record, and I want to read a few words of the hon. member for St. Lawrence-St. George (Mr. Cahan), delivered in this house on April 19, 1926, and found at page 2569 of Hansard. We were discussing water-powers, and the hon. member said:

> It is true that we have vested in the crown, as represented by the Dominion government, large water-powers in the territories which undoubtedly are soon to be vested in the several provincial legislatures, but I will say that I do not believe any department of the Dominion government is more honestly and more efficiently managed, supervised and controlled than is the water-powers branch.

That was the opinion expressed by one of the leading members of the official opposition, a gentleman eminently fair in debate, regardless of whether or not we agree with his views. The peculiar situation which arises is that following that statement the mover of this present resolution (Mr. Woodsworth) said:

> I quite agree.

I have no doubt the Minister of the Interior will agree with the member for St. Lawrence-St. George, so we have the unique situation of members on this side of the house agreeing

with one of the outstanding members of the opposition and with the mover of this resolution that the water-powers branch is one of the most efficiently managed departments of the government, yet this is the one department which it is desired to put under the control of this house.

Then there is another peculiar situation. I could understand the situation more easily if the amendment had dealt with mines instead of water-powers; as a rule mining is an industry which is developed in a very small way at first. A prospector goes out and makes his location and if he can interest capital the property is developed. The location of a mine has very little to do with its development, if it is rich enough, but the development of water-powers is quite different. Water-powers must be developed by large corporations or by governments, because the amount of money necessary for such development is very large. In addition, there is no immediate return as there is from a mine; they must depend upon the demand for power, and usually that demand is not nearly sufficient to utilize the initial output of the development, so the people interested in a water-power development must take means to create a demand which will utilize the output of that development to its fullest capacity. That means a good deal of work; it is more or less of a speculative proposition and necessitates a large amount of detail work in the way of business management. The amendment to the resolution has been proposed by a representative from the province of Ontario, and I would like to point out that the provinces of Ontario and Quebec have great water-power resources which have been developed to a large extent. When the province of Manitoba undertakes the development of its water-powers, either through private corporations or under public ownership, it comes in direct competition with the provinces of Ontario and Quebec from an industrial point of view, and the result of this amended resolution would be to give the representatives of competing provinces a control over the development of water-powers in the province of Manitoba. I object to that from the very start, Mr. Speaker; I think it is fundamentally unsound. No matter how honest they may be—and I am not questioning their integrity for a moment—I would consider it poor business if I had to operate a business under the control of an active competitor.

The province of Manitoba has been demanding the return of these water powers, and now the government have entered into an agreement to return not only the water powers but the rest of the natural resources as well. Speaking as a member from the province of Manitoba I strongly object to the resolution both in its original form and as amended. I claim that Manitoba is not still in swaddling clothes; we have grown up. We have waited a long time for the return of these resources, and while some hon. members have expressed doubt as to whether Manitoba can be relied upon upon to exercise proper judgment in the development and disposition of the natural resources, I believe we have the average, if not better than the average, class of legislators, and whether the government be Conservative, Liberal, Progressive or Labour, if that government does not use good judgment and carry on the business properly it will get its deserts at the hands of the electors of that province. I want to leave the disposition, management and control of our natural resources in our own hands, and we in Manitoba will be willing to take full responsibility for their proper administration. For that reason I strenuously object to this resolution, which says in effect, "You are not capable of managing your own business."

Hon. E. B. RYCKMAN (East Toronto): Mr. Speaker, I am sorry that the Prime Minister is not in his seat; he debated this resolution and amendment for a couple of hours and then stated that he thought the discussion had lasted long enough. However, statements made by the Prime Minister render it necessary for me to attempt to convince the house that they are not in accordance with the facts, especially with regard to what the Prime Minister said would be the result if this amendment were adopted, namely, a conflict between eastern and western Canada and the failure to allow the prairie provinces to develop their own resources.

In the first place I feel it necessary to say that the stricture which was passed upon my leader by the Prime Minister is wholly incorrect. The Prime Minister charged that my leader and we on this side of the house were not in favour of a speedy return of these resources, but that statement is not borne out by the facts. Anyone who will read Hansard will see that my leader was referring to the situation created by the Minister of the Interior himself in relation to the Seven Sisters falls. If a tramp who is loitering along the highway suddenly starts to run you naturally want to know the reason for all the hurry, and in any case my leader did not have before him the letter of June 7, which followed the statement made in this house by the minister on June 6.

I desire to discuss this matter apart from any consideration of the Seven Sisters power site, as I understand that is something we cannot recover. We have an amendment before us which, in my opinion is sound, good business and within the proper exercise of the discretion of this house. I do not think anyone will say that an important asset such as water-powers should be disposed of by cabinet control and not by the control of parliament. The Prime Minister was of the same mind on February 9, 1924, as appears by the letter which he placed on Hansard, and if we relate the amendment back to the transfer of the natural resources to Manitoba we find that the Prime Minister thought the approval of this house necessary to such a transfer. I am opposed, and I believe other members of this house are opposed, to the alienation of important assets without the consent of parliament. It is admitted by everyone that water-powers are amongst the most valuable assets that the Dominion or the provinces have, and that they should be alienated by a body of men or by the Minister of the Interior, as happened in the case of the Seven Sisters falls, is something to which the people of this country will not submit. It is the opinion of some members of this house that a mistake has been made with regard to this particular water-power site, but I belive it is the unanimous opinion that if the house or the provincial house is to deal with the water-powers of the Dominion or of the province it should be carried out according to some plan which is well understood by parliament, and one in which parliament has the final word. The Prime Minister said that in this case it would relate to only the three prairie provinces; that Ontario and Quebec would not be concerned and that the only control the Dominion had was in relation to the water-powers of the three prairie provinces. I think it is necessary that the Prime Minister should read the British North America Act again, and I think he should consider the water-powers within the railway belt in British Columbia. The question of the disposition of the water-powers of the Georgian bay and communicating streams was before this house, I believe two years ago. There is also the question of the Carillon falls, in which the people of Canada are interested.

One thing that surprises me is that not one word has been stated in this debate as to the claim the Prime Minister made as recently as the month of October when a factum was presented on behalf of his government claiming that the Dominion of Canada had control over every water-power in any navigable water in Canada. Navigable water means navigable in fact, but what does navigable in fact mean? It does not mean that it shall be necesary that a Mauretania can ply through the waters, that some river boat shall find passage, or even a rowboat, but it means the waters where a lone Indian in his canoe can pass and re-pass—that is navigation in fact. I have before me the brief on the reference which was made to the Supreme Court of Canada, the brief out of which His Lordship the Chief Justice of the supreme court said he did not think anything could have been left. This brief is signed on behalf of the Attorney General of Canada; it is signed Lucien Cannon, N. W. Rowell, Charles Laurendeau, H. J. Symington, C. P. Plaxton and Vincent C. MacDonald. The claim was made on behalf of the government of the Prime Minister that in any water navigable in fact, such as I have described—if my description is not considered as being correct I will read the long definition appearing in this factum of the Attorney General—in such a stream controlled by the Dominion government, the Dominion government controlled all water-power and could expropriate it without compensation and go into the business of generating and disposing of electrical power.

Mr. CANNON: The government never claimed anything of the kind.

Mr. STEVENS: He does not know what he signed.

Mr. RYCKMAN: I am afraid the hon. Solicitor General (Mr. Cannon) signed this without knowing what it was.

Mr. CANNON: I never sign anything without knowing what I am signing, although that may be the practice of the hon. member.

Mr. RYCKMAN: We will reserve that argument for another day.

Question 7, page 103 of this factum signed by the Solicitor General, reads as follows:

> Has the parliament of Canada legislative power to authorize the construction and operation by the Dominion government of works wholly for power purposes and the acquisition by purchase or expropriation of the lands and property required for the purposes of such works including lands of the crown in the right of a province (a) in interprovincial rivers; and, (b) in provincial rivers?
>
> The Attorney General submits that both branches of this question should be answered in the affirmative.

It was contended in the argument—I listened to it—that by reason of the control of the Dominion over navigable waters it had the right to expropriate without compensation—

Mr. CANNON: For navigation purposes.

Mr. RYCKMAN: —any water-power, and to go, as this question puts it, into the business of distributing hydro-electric power throughout the province.

Mr. CANNON: The hon. member could not have understood the argument.

Mr. ERNST: Did the Solicitor General?

Mr. RYCKMAN: If it is necessary I will bring the argument here where it is positively stated and urged with great ability that that was the situation; that there was not a water-power in the country, on any stream that was navigable in fact, that the Dominion could not expropriate, without paying compensation, and develop the power and sell it to the people.

Mr. CANNON: Will the hon. member tell us what the decision of the supreme court was in the matter?

Mr. GUTHRIE: The hon. member is only giving the claim made by the government.

Mr. RYCKMAN: The answer of the supreme court was that these questions framed by the Solicitor General, who never signs anything without knowing what it is, were indefinite and unintelligible.

Mr. CLARK: Those questions, I presume, were approved by the Prime Minister?

Mr. RYCKMAN: I do not think the Prime Minister, because of his argument when the matter was last before the chair, could have approved them. That being the position, how futile it is for the Prime Minister to say that it is an amazing spectacle to see the hon. member for South Wellington (Mr. Guthrie) supporting this amendment. What the real position is has not been decided by the Supreme Court of Canada. If the position of the government is as was stated by the Prime Minister, the supreme court has been trifled with, because that is not the case which was put before the supreme court. The Prime Minister says: What an amazing spectacle it is for the hon. member for South Wellington to be found supporting this amendment!

Mr. MACKENZIE KING: I did not say that was an amazing spectacle.

Mr. RYCKMAN: I will stand corrected, but I remember the words "amazing spectacle".

Mr. MACKENZIE KING: That had reference to the hon. member for Winnipeg North Centre (Mr. Woodsworth), not the acting leader of the opposition.

[Mr. Cannon.]

Mr. RYCKMAN: The hon. member for Winnipeg North Centre can take care of himself. It cannot be said that there is anything out of the way when the claim is made that the house should seek to exercise control over such powers, large and important as they are. That is the purport of the amendment. As to the question of dividing east from west, to drag in an argument of that kind in a case such as this is beneath the contempt of the house. There is no question of east and west being separated over a matter of this kind. The east, as I understand it, is unanimously in favour of the west receiving its resources and administering those resources in the interests of the provinces themselves and not, I may say, in the interest of the Dominion government, as was the position taken before the supreme court.

The agreement reached with Manitoba contemplated the approval of parliament, and I wish to refer briefly to this. Just exactly what the agreement was between the federal government and the government of Manitoba I do not think has been given to the house except in the statement which refers to the conference that was held and which appears on page 518 of Hansard. The fourth paragraph reads:

> The findings of the commission to be submitted to the parliament of Canada and to the legislature of Manitoba.

I wish to direct attention to the fifth paragraph:

> Upon agreement on the financial terms following consideration of the report of the commission, the respective governments to introduce the necessary legislation to give effect to the financial terms as agreed upon, and to effect the transfer to the province of the unalienated natural resources within its boundaries, subject to any trust existing in respect thereof, and without prejudice to any interest other than that of the crown in the same.

Paragraph five provided that the parliament of Canada and the legislature of Manitoba should ratify the terms of the transfer to the province of its unalienated natural resources. Paragraph six was just a working paragraph, in the interim providing for ordinary business. The transfer of the Seven Sisters falls, a transfer of such immense importance which fixed upon the province the question of public or private ownership for thirty years, was one that was not contemplated without the authorization of the provincial legislature or the approval of parliament.

Mr. GLEN: If the legislature of Manitoba agreed to transfer those resources to a private corporation, would the hon. member say that parliament should still ratify it?

Mr. RYCKMAN: I am not concerned with that. That is a hypothetical question. My answer to that is that if those resources belong to Manitoba and the legislature of Manitoba, knowing the nature and value of its property, says: Do so and so, it is proper that should be done.

Mr. GLEN: The amendment does not call for that.

Mr. RYCKMAN: What did take place? It has been stated that Manitoba could not have done this itself. I think it could and just in this way. Manitoba could have accepted the lease in this case in all its terms just in the same way as it could accept any other benefit. It could have made a simple assignment of the property in the lease and directed it towards that company. But the government most unwisely undertook to do for Manitoba what Manitoba could not do itself because it did not have the approval of its people and of its legislature. That is plainly the situation. If that approval had been obtained, all the trouble, doubt and suspicion to which the Prime Minister has referred would have been avoided. If there was not something sinister, it is strange that paragraph six should be in the terms in which it is. What is the result? As admitted by every hon. member there is a large question of provincial policy, that of public or private ownership. This has been decided for Manitoba by the federal government and the Bracken government without the people of Manitoba having had an opportunity to express their will. Private ownership has been fastened on Manitoba for at least thirty years and perhaps for all time, and this has been done, as has been shown, without the approval of the members of the house. That is, the action of the federal government has been taken without the members interested having had an opportunity to express their opinion upon the matter, and a great deal of explaining is necessary as to why, when the matter was up for consideration, no chance was given to consult either the legislature or the people of Manitoba. As regards the members of this house who were interested, I think they have been put into a bag, tied up like blind kittens and dropped over the Seven Sisters falls. I am anxious that it will be impossible for such a situation ever to occur again. Therefore, why not let us pass a resolution of this kind saying that when it is the intention to dispose of such important natural resources as water-powers, the house, if it has control over those water-powers, shall have a say in the disposition of them? Years ago many now sitting on that side of the house stood, when on this side of the house, for that very thing—no alienation of the important assets of the Dominion without the consent of parliament. Even the present Prime Minister then declared that parliament should speak, that the government of this country should be by parliament, and not by the few, that the members of parliament, whether of his party or of any other party, should have the opportunity to express their will. But the Prime Minister now says that he is asked to break an agreement. He is not asked to break an agreement. There is no such question raised in the amendment to the resolution.

Let me point out to the Prime Minister what actually has occurred in an other case. His government by order in council authorized the execution of a contract with Sir William Petersen. That agreement was subject to the ratification of parliament. That contract was, if I may use the word, a most unworthy contract, having regard to the needs of the people of this country. Instead of giving, as it purported to give, lower ocean freight rates to the shippers of this country, it gave control of rates to Sir William Petersen, and when that was found out, parliament did not ratify the contract. Canada receded. The name of the Minister of Trade and Commerce, the Hon. Mr. Low, was on that contract. The contract had been authorized by the government and by the right hon. the Prime Minister, but the government receded from that contract which it had authorized. The government could have forced it through the house if it had so desired, but the result would have been a contract which was not in the interests of Canada. Parliament had its chance, and parliament saved the situation. If this amendment passes, parliament will have the chance to save the situation again.

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, as this resolution and the amendment concern the three western provinces only, I feel that I should be neglecting my duty, having the honour to represent one of the ridings in the western provinces, if I did not raise my voice in protest on this occasion.

Mr. SPENCER: Where in the resolution are the three western provinces mentioned?

Mr. BEAUBIEN: The natural resources of the three western provinces are the only

resources of any province in this Dominion which are in the hands of the federal government; that is why I say the three western provinces.

The effect of the resolution and the amendment would seem to be to say to the rest of Canada that Manitoba—I speak for Manitoba because I am mostly concerned with that province, and know it best—although it has been in confederation for almost sixty years is still in its infancy and does not know how to handle its natural resources.

I am surprised also, Mr. Speaker, that the resolution should have been introduced by a member from western Canada, especially by my hon. friend from Winnipeg North Centre (Mr. Woodsworth). He has made some wonderful speeches in this house against the centralization of control. In connection with imperial relations, for instance, he denounced centralized control of the empire in any shape or form, but when it comes to provincial matters and the natural resources of the western provinces, he takes the colonial attitude and preaches the finest Tory doctrine I have ever heard in my life. I believe the hon. member is honest in his opinions, but I think he has been blindfolded by the theory of public ownership.

Mr. HEAPS: Would my hon. friend mind quoting him?

Mr. BEAUBIEN: These hon. gentlemen have spoken, Mr. Speaker, for about six days on this question, and I intend to speak for only ten minutes. They can say what they like when I get through.

Mr. HEAPS: Do you object to answering the question?

Mr. SPEAKER: Order.

Mr. BEAUBIEN: I am for public ownership; I believe in it, but I am not blindfolded by it. I am convinced that if Premier Bracken had gone into the development of the Seven Sisters falls he would have killed public ownership in the province of Manitoba for ever, because it was proved beyond a doubt in the report of one of the most competent engineers, Dr. Hogg, who is renowned in Ontario for his integrity, and whose authority I think no one will question, that the development of the Seven Sisters power site as a provincial enterprise was a folly economically.

Here was the situation. We needed power in Manitoba, and the Seven Sisters was the first power site that should be developed. The provincial government in Manitoba entered into a contract with the Winnipeg Electric Company. That was one of the best contracts that ever was made by any province with a private corporation. It was the most water-tight contract possible, with the public protected in every way, shape and form. The Manitoba government said: We will withdraw our application for this lease if you will sign that contract; and the Winnipeg Electric Company signed the contract.

What does that contract mean? It means getting closer to public ownership than we would ever have done had the cantract not been made. Why? Because it eliminates one of the greatest obstacles in the way of the development of power on the Winnipeg river. It wipes out the perpetual rights which the Winnipeg Electric Company enjoyed on the Pinawa channel. It increases the development of power on the Winnipeg river by between fifty and sixty thousand horse-power. In addition, the provincial government at the end of thirty years have the right to expropriate the development on a cost basis, less depreciation, the cost to be arrived at by the engineers of the water-powers branch, who are on the works at the time of construction, and the engineers of the Winnipeg Electric Company, and if they fail to agree, the question is to be referred to the exchequer court, whose decision shall be final.

So I say that the provincial government made a good contract for the people of Manitoba, and I am positive that when the political turmoil in the province of Manitoba is over, and the people of Manitoba have had a chance to find out what is in that contract, Premier Bracken will go down in the history of the province as having made one of the best deals that ever was made for the people of Manitoba. That is my opinion. Not only is Premier Bracken to be congratulated, but the hon. Minister of the Interior (Mr. Stewart), the right hon. the Prime Minister (Mr. Mackenzie King), and all his colleagues are to be congratulated, first, because they have placed Manitoba in a position where we are going to get our natural resources in a very short time. Even if we do not get them within a year or two, in the meantime they will be administered by the federal authorities in accordance with the wishes of the province of Manitoba. I wish to congratulate the right hon. Prime Minister and his colleagues on bringing the agreement so close to completion in July last.

My hon. friend who has just taken his seat (Mr. Ryckman) asked: Instead of granting the lease of the Seven Sisters power site to the Winnipeg Electric Company, why did not the Minister of the Interior lease it to the Manitoba government? Well, I am not

a lawyer—don't want to be—but my understanding is that until the resources are actually transferred to Manitoba the Minister of the Interior had no other course open, he simply had to grant the lease as requested by the Manitoba government. I congratulate him on the fact that in this lease from the water-powers branch to the Winnipeg Electric Company the interests of the public are better safeguarded than in any similar lease within my knowledge or, I think, within the knowledge of most hon. members.

But, Mr. Speaker, we are in a most extraordinary position. My hon. friend from Frontenac-Addington (Mr. Edwards) the other night when the amendment was moved by the acting leader of the opposition (Mr. Guthrie) said: Since it mentions water-powers I can vote for the amendment. How is he going to reconcile his attitude with the resolution which he had on the order paper for two sessions to my knowledge, and which this house passed unanimously the other day for the return of the natural resources to the prairie provinces without any restrictions? Are we now going to say: Four or five days ago we did not know what we were doing; we want to put restrictions on the return of those resources. I have said before and I repeat my statement, that this resolution and the amendment thereto affect the three prairie provinces and no others. The maritime provinces, Quebec and Ontario have always handled their natural resources. I say to my hon. friends opposite from the province of Ontario, who to-day are trying to convince the public that they are so much concerned over public ownership in Manitoba, that all the water-powers in northern Ontario were given to private corporations by order in council. And rightly so, because if the Ontario government had waited for the local legislature to approve of the contracts the development of that great northern country would have been retarded, and Canada would have been the loser.

Let us be fair, Mr. Speaker. Western Canada has been fighting for the return of its natural resources ever since I have been in that country, which is close on fifty years. Manitoba has been a member of confederation since 1870, but she has never had control of her natural resources. We in Manitoba can handle our own affairs, we are just as intelligent as our fellow-Canadians in the sister provinces. I for one will not be a party to having any outside authority say what we in western Canada shall do with our natural resources. Therefore I intend to vote against the resolution and the amendment, and to oppose with all my strength any proposal tending to restrict the development of western Canada.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, I am a disinterested spectator of what has been going on between the Manitoba government and the members from that province and the Minister of the Interior (Mr. Stewart). The resolution deals with the control of parliament over the disposition of the natural resources now administered by the federal government, but the discussion has developed into an attack on the Minister of the Interior for his alleged breach of faith with eighteen of the Manitoba members with respect to the leasing of the Seven Sisters falls power site. In fact at one stage the attack became so severe that you, sir, had to call some hon. members to order for challenging statements made by the minister.

Now as to the dispute, I have not much to say. The order in council dealing with the power site was signed on August 1, 1928. It says:

Pending this transfer—

That is, completion of the agreement between the government of Manitoba and the Dominion government.

—the policy of the government of Canada in the administration of the natural resources of Manitoba to be in accord with the wishes of the government of the province of Manitoba.

From that very date the power of the Minister of the Interior to administer those resources was subject entirely to the wishes of the provincial government. It has been argued that the minister should not have taken final action until the provincial legislature had passed upon the action of the Bracken government. I do not think that is the real situation. I believe that the government of Manitoba was appointed by the legislature as its agents, and as such the provincial government are responsible to the legislature, and to no other legislative authority.

I know in the province of Alberta the Minister of the Interior on one occasion was criticized for having granted a license for hydro-electric power to the Calgary Power Company without having consulted the premier, Mr. Brownlee; but afterwards it was found out that he had done so. At once the criticism of the United Farmers of Alberta was directed at Premier Brownlee

Looking through the press of Manitoba, I find that even those papers that are averse to the granting of the lease to the Winnipeg Electric Company do not criticize the Minister of the Interior, but Premier Bracken and his government. Therefore I cannot vote in favour of the resolution or the amendment. As has been said, the resolution is double-barrelled. It may be said: If you vote against this resolution or against the amendment the people of Calgary will think you are opposed to public ownership. On the other hand, by voting in favour I may be charged with a desire to perpetuate the control by the federal authorities of the natural resources of the western provinces. But I am quite satisfied that if the resolution and amendment carry it will be inferred not only in this house but throughout the Dominion to be a vote of censure on the Minister of the Interior. Therefore having reached the conclusion that under the agreement between Manitoba and the Dominion he could have taken no other course than comply with the wishes of the provincial government, I can support neither the resolution nor the amendment.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, the resolution would seem to be the result of certain political backfire investigations that have been preceding in the province of Manitoba for some time. It is not so apparent, however, just what the meaning of the resolution and the amendment is, judging from the wide scope of the discussion and the many interpretations put upon them.

Taking the interpretation of the hon. sponsor of the resolution, I gather that he does not desire to raise the question as to the respective merits of private ownership of power and public ownership; nor does he wish to discuss the merits or demerits of the bargain itself. He is of the opinion that the lease is an exceedingly good one, prepared under an act which possibly is not excelled in any part of the world. So that we are reduced to this interpretation of the matter, from the standpoint of the hon. gentleman, that he raises the question as to whether any further alienation of our resources in the west—not exclusively in the west but particularly there—shall be permitted without submitting each separate contract or lease to this parliament for ratification. I take that to be the meaning of the resolution.

Judging from the alacrity with which my hon. friend from Frontenac-Addington (Mr. Edwards) has switched his allegiance from opposition to the resolution to support of the amendment, I gather that he thinks there is a decided difference between the amendment and the resolution itself. There may be some distinction between the two, but for my part I can see no difference in principle. Suppose the amendment carries: it will have to be implemented by legislation; the government will have to bring down amendments not only to the Dominion Lands Act but to the Water-Powers Act and possibly half a dozen others. How can be justify segregating water-powers and deciding that they shall be dealt with in the particular manner provided by the amendment to the resolution, leaving all other resources to be administered as they have been for the last half century or more? No government could justify making that distinction and legislating thereon. It is true, resources are of varying importance and different in character; but there is no difference in principle between the resolution and the amendment, so far as I can see.

We have heard the expression, "no strings on our resources." I wonder whether the acting leader of the opposition desires to have this kind of string, of which he is speaking, tied to the resources of Manitoba after they are transferred. Surely not. No such string is tied to any other province. Well, if it is not desirable to have it tied to the resources when handed over, why is it desirable to have it tied to this particular resource? There must be some reason for it. This is the law and the practice that has obtained for the last half century, and there has been no complaint against it that I have heard. The onus of proving the advisability of a change lies with those who ask for the change. Who wants to make a change in a law of this nature, especially with respect to the Water-Powers Act, which has been in force for so long a time and has been satisfactory to the public interest generally? I have listened attentively to this debate and have read in my spare moments some of the addresses that have been delivered, and I cannot find a valid reason for any change. I find, on the other hand, many reasons, which must appear sensible to thinking men, why we should continue an act that has given satisfaction all round. But no attempt has been made to give any valid reasons for the change. I am prepared to show that no such change should be made, for the simple reason that it would retard the development of resources indefinitely.

Referring to the statement made by my hon. friend from East Toronto (Mr. Ryck-

man), the hon. member criticizes the Prime Minister (Mr. Mackenzie King), trying to find a statement of his in which he intimates that before any natural resources should be completely returned the matter should be confirmed and ratified and a bill passed through this house. Of course, that is taken for granted. But there is no comparison between that statement and the point under discussion. That deals with all resources; it deals with all three provinces. A bill did pass this house with respect to the resources of Alberta, and a bill will pass this house with respect to all others before any bargain can be consummated.

Let us go back to the development which has recently taken place in Manitoba—and this has been referred to already. Imagine the delay that would have been experienced in connection with the Hudson Bay mining development scheme if that had had to be referred to this house. As everyone knows, the Whitney people's option expired in the fall of 1927; they had to execute it or the option would have expired. If the law had stated that the matter must first be submitted to the house, they could not have taken up their option and gone ahead with the enterprise, with the result that the key to that great northern development might still have remained unturned; that would have been the situation if that proposition had first to be submitted to this parliament for ratification. Then later on power had to be obtained and a lease secured. There was a difference of opinion as to whether the White Mud falls or the Island falls at Churchill should be used. It was decided in favour of the latter, and that meant that Saskatchewan was concerned as well as Manitoba. As a matter of fact, the province of Saskatchewan was consulted with regard to the Hudson Bay mining development, more familiarly known as the Flin Flon, and the representations of both Manitoba and Saskatchewan were incorporated not only in the mining lease but also in the power lease on the Churchill. Quite recently it has been found, too, that in order to facilitate the development of the falls on the Churchill, before mining operations can actually begin in connection with the Flin Flon or the Hudson Bay scheme, a smaller development is required to provide power, in the absence of coal, which is usually used during the construction of the plant. A considerable amount of power is required, and in lieu of coal a small ten or twelve hundred horse power plant was asked for. Under this resolution, that could not be granted until the meeting of this parliament, when the issue would have to be decided. The result is that the whole mineral and water development of the western country would be tied up if such a resolution as this passed.

Later on, we anticipate, a further request will be made in Saskatchewan. Explorers and those who are investigating these matters, and miners as well, are even now appearing at Rotten Stone lake, 200 miles north of Prince Albert. Those of you who read the western papers will see that all roads, if not converging in Prince Albert, are at least developed outward from that centre. Fleets of airplanes and dog trains as well are travelling in all directions into the north land with supplies for those who are investigating the possibilities of mining in that vast territory. Now let us suppose this house prorogues, and the Rotten Stone lake or the Reindeer lake or both desire to secure mining lands with accompanying water-powers; they will have to sit by and wait until the house meets next year and we discuss among ourselves—laymen for the most part—what is entirely an engineering proposition. All that procedure would have to be followed before a decision could be arrived at. I cannot imagine anything more ridiculous; yet that is the string my hon. friends opposite have been talking about. Why, it is a cable that they are tying to the whole problem. I think the cat is out of the bag; I do not believe they care three hoots about resources. They know the resources will be transferred soon and they want to get into our band wagon and do some of the shouting and claim some of the credit. That is what this resolution amounts to, with its amendment. The same thing might be said with respect to Alberta. I wonder how my hon. friend from Nelson (Mr. Bird), and my friends from Saskatchewan, can advocate a proposition which will hamper the development of that country's resources—resources which have been lying dormant from time immemorial. Those resources are now on the verge of development and they want a further delay until next year. Evidently they think the time is not ripe for the development of these resources and they want to hamper progress for another year by means of this resolution, with its amendment.

Mr. ADSHEAD: Has the Dominion government done anything with Alberta's natural resources without consulting the government of Alberta?

Mr. MOTHERWELL: Not that I know of With respect to another province an order in council has been secured which I will read, if you like. This order in council was passed

under date August 1st last, and section 6 thereof refers to the transfer of natural resources and the agreement arrived at between the two governments, the terms of the agreement being set out. This is the last section:

Pending this transfer, the policy of the government of Canada in the administration of the natural resources of Manitoba to be in accord with the wishes of the government of the province.

Nothing could be more complete or more simple than that, and that clause was embodied in the agreement for the express purpose of showing that if this investigation should be prolonged we were sincere in our desire virtually to give them control of their resources by carrying out their wishes in connection with them. That has been the practice of this government ever since we came into power and now it is confirmed by this order in council so that the people of Manitoba will have no reason to object to the length of time involved in a final settlement, because now their resources are administered exactly as they wish. Surely that is the very essence of provincial rights, as recognized by the Liberal party ever since confederation. With respect to the other two provinces, I happened to be acting Minister of the Interior at the time the Hudson Bay mining lease was granted, and I know there can be quite enough delays even under our present system of administration without this parliament making more. With regard to the resources of Alberta and Saskatchewan, the same method of consultation has been in vogue all these years; sometimes they were not so anxious to exercise that right but that is another story. The fact is that we have consulted them and they virtually have had their resources so far as the method of administration was concerned. This agreement gave the assurance that at the earliest possible date we desired to return the resources fully.

While this may not be particularly germane to the question, in passing I would point out that the reason the resources have not been returned by any government is because the original bargains with the provinces were so good that the provinces were not going to have them abrogated until they were given better bargains. Take the province of Saskatchewan; the bargain they made in 1905 proved to be so good that they decided to keep it until some one produced a better bargain. They are awaiting that day yet, and when it comes it will be found that there will be no difficulty in consummating the transaction.

[Mr. Motherwell.]

There is another development taking place on Ghost river; that is a bad name, but I understand the river is actually there. We have heard of the Spray falls development up near Banff, and I understand the Ghost river development is midway between Spray falls and Calgary. If we had to wait and go through all this rigmarole and discussion, where would that development be? This is an example of what would happen; this shows how much we know of the engineering features connected with these developments, particularly those members who have not yet visited western Canada. Nothing would be done, and whoever was financing a development never would know where they stood until finally the agreement was passed by this parliament. I hope we will never have such a condition of affairs. Imagine financiers waiting for something to go through this house, say during the first five years we were in office, wondering what was going to happen. You could not get money under those circumstances, and consequently the development of the country, which has been delayed long enough, would be held back still further. While I was listening to my hon. friend who preceded me (Mr. Ryckman) I was going to remark that his province was enjoying its own natural resources but apparently he is desirous of strangling our development while camouflaging and humbugging and pretending he is lying awake nights wondering how to help us.

I do not like to introduce any extraneous matter into this debate, but I am constrained to refer to the Dominion Water Powers Act, passed in 1919, when I think my hon. friend the acting leader of the opposition was a member of the government in power at that time. It is claimed that this act is one of the best ever placed on our statutes as far as the safeguarding of the public interest is concerned, and I would point out that in his present stand my hon. friend the acting leader of the opposition is stultifying himself. The lease was given under this act, which he himself helped to frame.

In connection with the hon. member for Winnipeg North Centre (Mr. Woodsworth), who moved this resolution, may I say that under this act the government is given power to administer those resources, under conditions more favourable to labour than are contained in any other similar act on this continent. In section 83a of the regulations based on this act we find the following:

Every license shall be deemed to be executed on the express condition that the licensee shall pay or require to be paid to those employed in the construction, alteration, extension, maintenance and operation of the works authorized by such license, wages not less than those

generally accepted as current for similar services in similar undertakings in the locality, and that such licensee shall maintain conditions of labour not less favourable than those prevailing in similar undertakings in the locality.

That is part of the regulations associated with and based upon this act, and this is the act upon which the lease was based. So our labour men, both in and out of this house, should be the last to argue against the merits of this lease, although I believe my hon. friend intimated that he was not discussing the merits, and I presume this is one of the good things he had in mind.

I shall not dwell further on this matter, Mr. Speaker, except to say that I know hon. gentlemen opposite are hard up for something to talk about this session; they have been looking for a toe-hold ever since this session opened, and so far they have not located one. Last year they thought they had something on the Department of Immigration, but that fizzled out. An investigation was made covering weeks and months; they were going to do all sorts of things, but nothing happened. We have had other investigations during the last few years, but they have always back-fired upon hon. gentlemen opposite, and if I know anything about it this will do the same thing. It is not necessary to intimate that they are not going to be much better off when they begin discussing the budget; certainly they will have to get out their magnifying glasses in order to find any fault. They want to find something to object to, on the principle that it is not good politics to agree with everything the government bring down. They are hoping, as was intimated by the hon. member who preceded me (Mr. Ryckman) that something may develop from the situation in Manitoba which will in some way incriminate this government. They do not care anything about the natural resources; if we allow them to do so they will tie them up tighter than you could tie them with a logging chain. They do not care anything about the resources so long as they can make a little capital out of them, and God knows they need it.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, at this stage I think I should make some further explanation of the contract in connection with the Seven Sisters falls. The question of the desirability of adopting the resolution and amendment has been pretty well discussed, I think, and I have nothing to add except that so far as any safeguards which can be thrown around any department are concerned, I do not think any minister will object to them. I think no one in this house has a greater appreciation of the responsible position occupied by the Minister of the Interior than I have, and whether this resolution is accepted or defeated the one thing I must keep in mind is that in connection with all the leases, of which there are thousands annually, they are apt to be revised and are all subject to consideration by any member of this house who cares to investigate or ask about them. To a very large degree parliament does exercise control over the department which I have the honour to administer. I was especially careful with respect to this particular agreement which is under discussion. There was a great deal of controversy in connection with it, and I may say that since I have been minister there has never been a lease of any moment issued in the province of Manitoba on which there has not been a wide difference of opinion. This lease presented some very serious difficulties—I mentioned a number of them the other day, and I will not cover that ground again. The hon. member for Provencher (Mr. Beaubien) mentioned one of the most difficult points, namely, that as early as 1893 the Winnipeg Electric Company had started a small development on the Winnipeg river. In 1911 that agreement was amended and brought somewhat under the control of the Department of the Interior, although we did not control the cost of construction or the rentals. That agreement gave the Winnipeg Electric Company the right to divert 9,000 cubic feet from the Pinawa channel in perpetuity for $100 per year. The city of Winnipeg had a similar agreement for a larger amount of water, and they still enjoy that privilege.

May I say here that my sympathy goes out to public ownership and I am willing at every stage to see that there is first a refusal of any utility, be it water-power or anything else, on the part of the representatives of the public. That was the case with respect to this matter. In 1906 the Winnipeg Electric Company had secured all the land around the Seven Sisters development. Hon. members have criticized me somewhat severely with respect to this very matter, but I had nothing to do with the acquiring of that property. From looking over the correspondence complained of, I would assume they were simply taking the precaution that in the event of their developing, or the development by the Manitoba government, they would be protected; for at that time the application of the Manitoba government had priority.

I have given my unqualified backing to the engineers in my department with a view to accomplishing the maximum development on the Winnipeg river stretch, as well as on the

English river stretch in Ontario, although we have nothing to do with any action taken by the Ontario government in that respect. Members of the house will remember the controversy over the Norman dam between the Backus interests and the Dominion and Ontario governments. We have a storage basin in the lake of the Woods that is of inestimable value to the people of the Winnipeg district and the province of Manitoba. Not only that, but we have succeeded in obtaining a storage in lac Seul through the consent of the Ontario government. I will tell my Ontario friends quite frankly that I agreed to the construction of the dam to increase the storage facilities at lac Seul on a cost plus basis, without tender being offered, as I had the utmost confidence in the people who are doing that construction work at lac Seul. This work is being carried on under the auspices of the engineers of the Ontario hydro, and we are putting $500,000 into that enterprise. I still have some confidence in my fellow men and I do not share the suspicion that has been expressed so frequently by those—and I say this with all due deference—who knew very little about the matter they were talking about.

I am not quarrelling about public ownership or private ownership. As I have stated, I first ascertain whether the representatives of the public in any particular locality are desirous of an enterprise being developed under public ownership. Having ascertained to my satisfaction that they do not wish to do this I am prepared to make, with a private corporation, the best deal I can in the public interest and that is what was done in this instance.

Through the arrangement we made with the Ontario government, we were able to say to the people of Manitoba that we were going to increase their power possibilities on the Winnipeg river stretch. Through the securing of this storage basin we were able to increase the development by 300,000 horse-power. We have spent $2,000,000, but we will get that back in instalments from the power company after the development takes place. That is what we have accomplished in the interests of the people of Manitoba.

The Manitoba government could have developed this stretch themselves, but there was the difficulty in removing the Pinawa plant. We had discussed this to some extent with the Winnipeg Electric Company and they believed that their lease in perpetuity costing $100 per year was worth $6,000,000 to them. This is a staggering sum, and it looked like a very difficult proposition to get over. When Mr. Bracken came into the matter in 1927 he was told of what we had done in Ontario and that if the Pinawa plant could not be scrapped, thus diverting the flowage over the Seven Sisters reef, then the people of Winnipeg would be deprived of 50,000 horse-power. As I said the other night, he was told that if it was found impossible to deal with the Winnipeg Electric, and he desired to have the Seven Sisters site with the loss of the 50,000 horse-power, I would see that he got it. I made that statement the other night, and I make it again.

Mr. HEAPS: When was this?

Mr. STEWART (Edmonton): In 1927, when he decided to make application for the development.

Mr. HEAPS: What month in 1927?

Mr. STEWART (Edmonton): I am not dealing with definite dates, and I cannot give the hon. member the month.

I made another stipulation to Premier Bracken; that if he decided later on to recommend dealing with the Winnipeg Electric Company, a separate company should be organized. I did not want to be confronted with the financing of the Winnipeg Electric Company; I wanted to know the provisions contained in the contract and what the work would cost so that it would be a guide with respect to a future purchase or the control of rates—hence, the Northwestern Power Company. For over a year Mr. Bracken was negotiating an agreement with the Winnipeg Electric Company. I was interested in bringing about this development through the scrapping of the Pinawa plant in order that we might get rid of that 9,000 cubic feet in perpetuity and thus have 50,000 horse-power additional on the Seven Sisters reach, and $25,000 or more per year in revenue. But if the Bracken government had been desirous of carrying on this development I would have issued a lease to them. That is my position with respect to private or public ownership. He made his agreement, but I am not going into that. We know he got the power he required for twelve dollars or in the neighbourhood of twelve dollars, between eleven and thirteen dollars. He got the company to agree to scrap the Pinawa plant, to construct the Seven Sisters, to give up their right in perpetuity in that water, they to use it for thirty years for $100. At the end of thirty years rentals prevailing for the water-powers on that reach will prevail as regards the 9,000 cubic feet. But they get in addition, from the moment of construction, fifty

cents per horse-power for a minimum rental of 50,000 horse-power or $25,000 a year for the thirty years.

I said that it was a good agreement and I say so still. I did not sign or execute that agreement until I was satisfied that every public interest, so far as I could conceive it, was protected. May I say, with respect to the purchase of the plant, that is provided for at the end of thirty years. If my hon. friends can create in Manitoba a sentiment that can change the Manitoba government or the Manitoba representatives so that they want to buy the plant, every provision and every safeguard are inserted in the agreement to enable them to do so.

The first fifteen years at least from the inception of that power plant will be the worst years, the lean years. People talk very glibly about the way in which private interests get away with all the natural resources of the country. There is not a single natural resource of which I have had the administration since I came into this office that I have sold outright to anyone. They are all under lease and the leases can all be cancelled. I am under review and the operation of my department is under review by the members of the house. If I were sitting in the opposition as a private member and if I had an objection to take to any particular deal consummated in my province or constituency, I think I could promise you I would bring it to the attention of the house, and I do not think private members are lax in taking an opportunity to complain if they believe they have a right to do so. That is the control parliament exercises over the minister, the department and the government. That is the situation with respect to the Seven Sisters deal. I say most emphatically that no public interest has been neglected with regard to the arrangement.

Let me deal now with the statement of my hon. friend that I have not played fair with the Manitoba members. In the first place, may I refer again to the famous statement that is quoted so often, that was made to the leader of the opposition (Mr. Bennett) in the house? After a considerable discussion with reference to the Seven Sisters I made this statement and I want to read the concluding paragraph:

Possibly I have carried that principle too far—

That is the principle of consulting.

Mr. ADSHEAD: When was this?

Mr. STEWART (Edmonton): I am quoting from page 3853 of Hansard. This was in reference to the matter when the estimates of the Department of the Interior were going through and the leader of the opposition had this question up.

Mr. ADSHEAD: Last year's Hansard?

Mr. STEWART (Edmonton): Yes, June 6. It has been referred to very frequently and perhaps I had better read my last statement with respect to the matter:

Mr. Stewart (Edmonton): May I give my hon. friend the assurance now that so far as his request is concerned I have no serious objection to offer except this: Of course I am always made more or less the storm centre for the settlement of these difficulties, particularly in Manitoba, but I have adopted the principle of consulting with the provincial governments about these matters. Possibly I have carried that principle too far, but I am never forgetful of the fact that I must take the responsibility for final disposition. I am going to say very frankly here and now that notwithstanding the fact that at present the government have adopted a line of action with respect to the Seven Sisters falls I am not in any particular hurry to come to any decision about that matter, largely because of the fact that the members of this house have expressed very decided opinions about the matter as federal members. I am not very much disturbed by the statement that there must be immediate action; I have investigated the matter pretty well and I think there is plenty of time to give ample consideration to this matter before it is decided. In order to settle the question, and in order to prevent any delay, I do not see any reason why we should not await the action of the city council of Winnipeg and of the provincial government, which must take the responsibility, before a final decision is made here. I think that should satisfy my hon. friend.

That was the final statement made to the leader of the opposition when the matter was under discussion. A great deal has been said about that and it is said that the next day I wrote a letter to Premier Bracken in which I said that the matter had been up for discussion in the house and there would have to be a delay for a month or so; that is, that I was going back on my word to the members of the house, to the leader of the opposition and to the private members from Manitoba. Let me say that so far as I was able I kept my word both to the house and to the members from Manitoba. That letter was written and I delayed the issuance of the lease until late in September. I took every precaution to carry out my word to the leader of the opposition in seeing that the city of Winnipeg was consulted. The city council on two occasions made it a matter of resolution and vote.

Mr. HEAPS: That was before the minister sent that letter.

Mr. STEWART (Edmonton): Never mind. That was my answer to the city council and my hon. friend need not quibble about that particular phase of the matter. With regard to the provinces of Manitoba I was constantly in consultation with the authorities and nobody knows better than my hon. friends in that corner of the house that such was the case; nobody knows better than they that on the night of July 3 I left here and I discussed the matter with the members from Manitoba. Later on, learning that the Prime Minister, as he stated the other day, had made an agreement with the Premier of Manitoba that these resources would be administered in accordance with their wishes, I again consulted the members from Manitoba, not on only one occasion but on half a dozen occasions. My hon. friend was not in the city of Winnipeg at that time; neither was the hon. member for Winnipeg North Centre (Mr. Woodsworth) .

Mr. BEAUBIEN: The hon. member for North Winnipeg was mending antique furniture in Montreal.

Mr. STEWART (Edmonton): I do not know where he was but all I have to say is that he was not in Winnipeg. What did my hon. friends say by their resolution?—and I hold it in my hand. Did they not say, in the round robin of which they spoke, that I was first to ascertain whether or not the development could take place by public ownership either by the city or by the province, and failing that I was at liberty to deal preferably with the Winnipeg Electric because they had been the first applicants? I do not know wherein I have committed any breach of trust in connection with the administration of this matter. I must confess that I did not wait until I had consulted every member who represents Winnipeg. I did not consult the members who, I knew, from the very inception of the matter were in favour of it. I took care to consult the members who, according to their own statements, were opposed because they hoped that development by public ownership would take place.

Mr. BIRD: I am not finding any fault, but I do not want it to go out that the minister consulted me.

Mr. STEWART (Edmonton): I think my hon. friend (Mr. Bird) made the fairest statement of any member of the house in respect to my participation in the matter, and I want to thank him for it. His statement was eminently fair. Perhaps I had better read it in order to clear the matter up so far as he is concerned, because I do not want any reflection cast upon anyone, much less am I going to take any reflections upon mfself. I quote from the statement my hon. friend made when speaking on this matter, as it appears on page 449 of this year's Hansard:

> The Minister of the Interior did say to us quite plainly, before we left for home last session, that he could not hold up this matter until the Manitoba legislature met; he was very frank about that. But if I did not misunderstand him, and there is always the possibility that I might have—I can confirm what I am saying by my own diary, and his words in the house seem to confirm it—he said that before anything was done the members for Manitoba would be consulted. As I say, there may have been misunderstanding, and it is a very critical situation in which to make a mistake .

I did say that, and if it is any satisfaction to my hon. friend, I will say that I did not see him on any of the occasions on which I consulted with the Manitoba members. While I assume my responsibility to every member of this house, I have a particular responsibility to the members who sit on this side of the house, who think as I do, and whose advice I must first seek. I do not desire to evade the advice of any man, but I have a particular responsibility to the members on this side of the house who support the government, and they certainly were consulted.

With respect to leaving it to the legislature, I suggested that very course to Premier Bracken in July, and I find in the correspondence which was brought down and laid on the table of this house a statement from Premier Bracken citing the statements made by members of the provincial legislature as evidence that the legislature was behind this matter, but he distinctly said that he was going to take the responsibility— I repeat, I am seeking to evade no responsibility—even to the extent of passing an order in council, which order in council was read by my hon. friend the Minister of Agriculture (Mr. Motherwell). So that while I seek to evade no responsibility that is mine, I say again that so far as I was concerned I took all the precautions which I promised to any member of this house I would take and after assuring myself that the provincial government were insistent upon this lease being executed, I decided to recommend to our government that that be done.

Mr. A. D. McRAE (Vancouver North): Mr. Speaker, I propose to take up but a very short time this afternoon in support of the amendment. Many of us in the house felt that when the resolution of the hon. mem-

ber for Frontenac-Addington (Mr. Edwards) was unanimously adopted by the house on the 18th of last month, this question of the natural resources of the provinces had been pretty well settled. The speech, however, of the right hon. the Prime Minister (Mr. Mackenzie King) on Thursday evening, followed by this debate, would lead one to believe that our western provinces are yet a long way from getting their resources.

Reviewing tersely that part of the debate, we find that Manitoba had practically consummated its agreement with the government, that Alberta was also in agreement, and that the province of Saskatchewan is now negotiating its case. It would seem that the government might implement the wishes of this house and give early effect to that settlement which we all desire.

The right hon. the Prime Minister spoke the other evening about dividing east and west over this amendment. I have only this comment to make: the great prairie provinces, it would appear, have been very patient and forbearing, and their breaking with the east will depend on how long the government is going to take to give them control of their resources. Parliament has decided the issue, and it seems to me that the matter rests with the government. While I am not familiar with the technicalities of parliamentary procedure, I am quite sure that if this matter was dealt with on a business basis, a final settlement, which is largely a matter of accounting, could be arrived at with very little loss of time.

There are one or two points which have not been considered in this debate to which I would like to draw the attention of hon. members. Eliminating the question of the resources of the western provinces, it would appear that this amendment involves the matter of navigation in our navigable rivers, and the administration of water-powers beyond the boundaries of our provinces. Few, I think, will disagree with the need for protecting the national interests so far as navigation is concerned, and no body is so competent to pass on the national interest as this parliament. I noticed in the Ottawa Citizen this morning a statement that the government proposed to make an announcement on the Beauharnois project some time to-day. It would be very interesting to the members of this house, Mr. Speaker, and very pertinent to this debate, if that statement were before us now. I am not all familiar with the Beauharnois power project, but I am to some extent familiar with the St. Lawrence development, which has been before this government and the country for several years now, and on which we have expended a large sum of money for the purpose of making an investigation and bringing in a report. If the Beauharnois development does not interfere in any way with the St. Lawrence development, in connection with which our government has already advanced to a final stage, if it does not involve the diversion of the water dealt with and included in the report of the engineers on the St. Lawrence development, then I do not see that nationally we are concerned about it. But on the other hand, if it does not make for the economic development of the entire project as submitted by the engineers, then I think this government and this parliament is vitally concerned in the matter, and we should have before us in considering this resolution the information which it is stated in the press will soon be submitted to the house.

With regard to the water-powers beyond the boundaries of our provinces, there I approach a matter that I know something about. Few of us can appreciate the magnitude of our water-powers beyond our provincial boundaries in our great north country. To get a correct appreciation of their magnitude, you have to go down some of these gigantic rivers and see the numerous falls and rapids that you have to pass as you go along. It is evident that in our estimates of power in our great north, only the big and cheaply developed powers are taken into account. In almost every case there are innumerable sites where smaller developments would have already taken place had those sites been close to centres of population. I think it is a safe statement to make—it is difficult to contradict, at any rate—that the power in our northern country beyond the boundaries of our present provinces is at least twice our present estimates. Those powers cannot be developed to-day on account of the cost and the loss in transmission. There is a demand for the power, but it is too far away for commercial development. But viewing the great advances in electrical science in the past twenty years, particularly in the last ten years, with the marvelous development of radio, who is to say that we are not approaching the time when this power will be available for use in our present centres of population, and perhaps even further afield? I have in mind a statement made last spring by Mr. Isaacs of the British Marconi Company. He stated that his company was experimenting with the transmission of electric power through the ether, and he had sanguine hopes of success crowning their work, in which case the electric power generated on the North American continent

would be available for Great Britain. That may seem rather farfetched, Mr. Speaker, but wo do know that during the past few years experimenters in the United States have succeeded in transmitting power for a few hundred feet without the use of a connecting wire. I have no hesitation in saying that I am firmly convinced, as are many men much better qualified to pass an opinion, that by a beam system or some other means, probably a cheap lead wire, not only will the cost of transmission be greatly reduced, but also the loss in transmission will be largely eliminated.

That leads me, Mr. Speaker, to a calculation of the national revenue that would result from the development of these great powers with which a generous Providence has endowed us. Owned and operated by the government for the benefit of the people, I believe the resultant revenue would soon offset, if not wipe out, the debts of our provinces and the national debt as well. I am not enthusiastic about public ownership, I never have been. I have always felt that employing of large staffs as well as competition with private business was not a desirable government activity. But it does seem to me in view of the probable electrical developments that lie ahead that public ownership in the operation and control of our water-powers might well be entertained. To-day we build bridges; no one is needed to look after these structures. Only one or two men would be required to look after a big power development. Thus the objection of a large personnel is now obviated so far as the public ownership of our water-powers is concerned.

Several advantages would follow the government construction of power dams. In the first place, there would be cheap money and cheap credit; in the second place, there would be no promoters' profits, the plant would be developed at cost, and in that way the power would reach the consumer on an actual cost basis. Therefore I believe the time has come when this country should reserve for the benefit of the people all the water-powers not already alienated, to be developed by the government when and as required for the benefit of the nation generally. I would not have the government engage in the retailing of the power thus generated; according to my plan it should sell the power en bloc to distributors as well as to large users of power. In this way the government would always be in a position to see that the charges to the consumer were fair and reasonable.

If any warning is required as to the danger we run in connection with the private development of electricity in this country, we do not need to look very far afield. I say, and I say it advisedly, Mr. Speaker, that the exploitation of water-powers in the United States is the crime of the century. The best people there realize it, and the information I am about to give hon. members is furnished me by men who are so wrought up over conditions in their own country that they have impressed on me, as they would impress on every member of parliament, the vital importance of preventing similar raids on our own water-powers. Why, I know of one little development of a few thousand horse-power that has changed hands five times in as many years, and to-day the securities representing the entire cost belong to whom? To those who own that water-power. But that is not all. One man in New York by the exploitation of water-powers in the United States cleaned up in 1927 the huge profit of one hundred million dollars. He has given no useful service whatever to his fellow-citizens by that sort of exploitation.

I hope the house will bear with me for a moment while I refer to one state of the union that has prevented similar raids on the public domain. California fortunately has a law on its statute books regulating the development of water-powers. That law has not been detrimental to the development of hydro-electric power within the state. I am told by reputable residents of California that private corporations have developed ample power to meet all requirements; but there has been no exploitation, simply because under that law the expenditure on power developments is supervised and the earnings are regulated.

Mr. DUNNING: If my hon. friend will permit me—that is a state law. In Canada it would be a provincial law.

Mr. GEARY: Not necessarily.

Mr. McRAE: True, it would apply to our provinces, and would serve them well. I think it would be advisable for the provincial legislatures and this parliament to enact legislation along similar lines.

I regret, Mr. Speaker, that I have fallen so far short in my attempt to lay before the house the great intrinsic values of the water-powers of the Dominion, water-powers which will flow forever, and which will steadily increase in value and in revenue as the years go by. Properly administered, these water-powers will be one of our greatest natural resources, and I for one believe that the time is opportune to surround their development with the restriction provided for by this amendment.

Mr. E. D. R. BISSETT (Springfield): Mr. Speaker, it had not been my intention to take part in this discussion, but inasmuch as most of those who have spoken have addressed themselves to the circumstances surrounding the granting of the lease of the Seven Sisters falls water-power site, I feel it incumbent to state to the house the part that I played in the transaction. I do not propose to discuss the lease between the Manitoba government and the Winnipeg Electric Railway Company or any subsidiary company; I consider that is a matter for discussion in the Manitoba legislature and not in this house. But if such is the case it might be interesting to find the reason why the members representing Manitoba in the federal house took a stand on this question at all. To do that it would be necessary to go back to a news item appearing in the Winnipeg papers in 1927, which stated that owing to a report from the city of Winnipeg, that the street railway company of that city had applied to the federal government for a lease of the Seven Sisters falls, the then leader of that government, Mr. Bracken, had stated that he was unalterably opposed to the street railway company getting that permit and was prepared to go, if necessary, as far as expropriating the Pinawa plant of the company on behalf of the province. When that news item reached Ottawa it was a matter of discussion among the Manitoba members, and in order to get behind the Manitoba government on the question a letter was drafted and sent to the Minister of the Interior (Mr. Stewart), on February 8, 1928. This letter reads:

> That we, the undersigned members of parliament for the province of Manitoba, respectfully request that the power site on the Winnipeg river known as the Seven Sisters falls be retained for the use of the government of the province of Manitoba in their own provincial hydro-electric system.

That was signed by the following members from Manitoba: Bissett, Bancroft, Steedsman, Milne, Ward, Lovie, Beaubien, Glen, Bird, Brown, McPherson, Howden, Thorson, McDiarmid, Woodsworth and Heaps. In other words, sixteen out of the seventeen members representing Manitoba signed this letter which was sent to the Minister of the Interior on February 8, 1928. Subsequently it was found that the government of Manitoba had changed their mind in respect to the development of this power; for after an investigation they had apparently come to the conclusion that it was not wise for the province as a province to develop this water-power. But the one thing I wish to point out here is that the legislative assembly of Manitoba had passed in 1927 a resolution reading:

> Therefore be it resolved that in the opinion of this house—

That is, the Manitoba legislature.

> —the government should press for the immediate granting by the federal government all rights to the Seven Sisters falls, situate on the Winnipeg river, said site to be held by the government on behalf of the province of Manitoba.

At the same time the city of Winnipeg passed a resolution protesting against the granting of a lease of the Seven Sisters falls power site on the Winnipeg river to the Backus-Seaman interest, the action of the committee in sending the city solicitor to Ottawa "to be approved and endorsed." The Manitoba members, as has been said by several speakers in this debate, had a good many discussions with the Minister of the Interior relative to this lease and finally, on May 15, 1928, wrote to the federal minister the following letter which was signed, not by all the Manitoba members but by the majority of them. I wish to discuss this letter somewhat in detail. It reads:

> The federal members, representing the province of Manitoba, have had before them the question of the disposal of the power of the Winnipeg river at Seven Sisters falls for some time, and after thoroughly going into the matter, beg to advise that their recommendation in connection with same is as follows:
>
> 1. That the site be not disposed of but that the matter be held in abeyance until the close of the next session of the provincial legislature for the purpose of giving the legislature of the province of Manitoba an opportunity to express its opinion in connection with the disposal of the said site or the development of it by the province of Manitoba.

Now the whole object of the Manitoba members in writing this clause into their letter was based on the fact that the Manitoba legislature—and the legislature, we are given to understand, is supreme—had by formal resolution requested that this particular power site, which was specified in the resolution, be held by and on behalf of the province of Manitoba. Clause 2 of the letter read:

> 2. That the said interval would afford the city of Winnipeg an opportunity to take a referendum vote on the question as to whether the said city desires to develop the power at said site in connection with their present hydro electric system.

That section of the letter was put in as a result of the resolution which I have quoted as having been passed by the city council of Winnipeg, which resolution protested

against the Seven Sisters power site being handed over to private enterprise. The letter also requested:

> That in the event of the province of Manitoba deciding to develop the said power as a provincial undertaking, that they be given said right upon request.

And further, that if neither the province of Manitoba nor the city of Winnipeg wish to develop the said site, the present applicant, the Winnipeg Electric Railway Company, be given priority to any other private corporation to develop same, subject to the usual restrictions imposed by the water-power regulations.

Now I contend that that letter presented a very fair view on behalf of the Manitoba members. We insisted that inasmuch as the legislature of the province had asked that this site be held for the province, in our opinion this should be done; and we also asked that, inasmuch as the city of Winnipeg had protested against the alienation of this power to private interests, if the province was not interested the city of Winnipeg should be given the next opportunity to develop the site; and, thirdly, that failing either of these parties becoming interested, the railway company, the present applicant, should be considered ahead of any other applicants subsequently applying.

As the house has been told by a number of speakers, various interviews took place between the Minister of the Interior and the members from Manitoba, and I wish it distinctly understood that the Manitoba members were not all of one opinion regarding this proposition. The minister has been quoted with reference to a promise he gave the Manitoba members prior to prorogation, and which has been the subject of a great many remarks, not all of them to his credit. I feel that I should explain exactly what my position was with respect to the promise made by the minister. When the house prorogued I was under the impression that before anything further was done in regard to this power site I would be consulted, and I want the house to understand that prior to the conference and agreement being signed between the provincial and federal governments with respect to the natural resources I had not changed my mind in regard to this deal between the street railway company and the provincial government. Further I want to say that until the agreement was made between the province and the Dominion with reference to the transfer of the natural resources I did not at any time see the minister or have any discussion with him by letter or otherwise in regard to the matter.

[Mr. McRae.]

However, I must say that I saw the minister in Winnipeg, after the agreement was signed, and with a number of other members discussed the whole agreement with him. On that occasion I told the minister that since there was an agreement in existence between the province of Manitoba and the federal government with respect to the disposition of the natural resources, my position was that the federal government should stand by that agreement. I want this distinctly understood: Had I been able to express myself prior to the drawing up of this agreement I would have objected to the insertion of clause 6; however, I did not have the opportunity of doing so and rather than see the agreement jeopardized by any controversy, which certainly would not have any effect on a binding agreement of that kind, I withdrew any opposition I had to the Seven Sisters deal, because it was bound up with the general natural resources agreement.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BISSETT: Mr. Speaker, when the house rose at six o'clock I had just stated that at the time of my last interview with the Minister of the Interior the agreement between the province of Manitoba and the Dominion government relative to the transfer of the natural resources had been concluded. Consequently, I found I was in the position of having either to oppose the whole natural resources agreement or to accept it in toto, and inasmuch as the Seven Sisters power site was part of that agreement I was forced to withdraw any opposition I might have had to the Seven Sisters falls project going ahead. I contended then and I still contend that the Manitoba members should have been consulted prior to the inclusion of clause 6 in that agreement, but after considering the difficulty which has been encountered during the years since this natural resources agreement has been the subject of controversy within the province and within this house, I felt that I must not do anything which would in any way defeat that objective.

The resolution on the order paper reads:

> That, in the opinion of this house, no disposition of the natural resources,—

Or the water-powers, as the amended resolution reads.

> —under the control of the federal government, shall be effective until ratified by parliament.

I do not propose to vote for this resolution. I contend, rightly or wrongly, that the disposition of the natural resources in any of the provinces is not a matter for parliament, but is a matter for the legislatures of the provinces concerned. If the province of Manitoba had had full control of its natural resources this question of the Seven Sisters power site would never have arisen in this house, and, therefore, I urge again the necessity of turning over the natural resources of each of the provinces to their respective owners with as little delay as possible. I do not think it is fair for the members for Manitoba to try to interfere in any way with the natural resources belonging to the provinces of Saskatchewan or Alberta. We have it on the word of the Prime Minister that agreements along the lines of the Manitoba agreement have been effected with the other provinces, so I do not think there is any necessity for this resolution.

In closing, Mr. Speaker, I want to say that I opposed and still oppose the alienation of the Seven Sisters power site in the public domain of the province of Manitoba and I regret that this very valuable power site is lost to the public ownership interests in that province. As I stated at the beginning of my remarks, the responsibility for this power site being handed over to private interests is a matter which rests entirely with the legislators of the province of Manitoba, and any criticisms I have to make will be made as a private citizen of that province and not as a member of this house.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, just prior to the adjournment at six o'clock we listened to an address from the Minister of the Interior (Mr. Stewart). I have listened to that hon. gentleman on many occasions, but I have never seen him exhibit so much heat, so much power and so little light as he did this afternoon. He was anything but illuminating on this particular question. He did not seem to remember very much about dates, but he made one or two references to the Manitoba government having the right of the utilization of this site, and I asked him if he knew the date in 1927.

Mr. STEWART (Edmonton): Yes, in 1927.

Mr. HEAPS: I would be very glad to have the minister give me that date, because I have been looking over the correspondence which has been tabled and I am unable to find that particular letter.

An hon. MEMBER: Put a question on the order paper.

Mr. HEAPS: There is no need of my putting a question on the order paper when all the correspondence has been asked for in connection with the Seven Sisters site. The only intimation I can find, after a very hurried perusal of these documents, is where the Manitoba government on August 18th, 1928, relinquished claim to the site.

Mr. STEWART (Edmonton): Mr. Bracken was given that assurance in my office in 1927.

Mr. HEAPS: Was that a verbal assurance?

Mr. STEWART (Edmonton): Yes.

Mr. HEAPS: Of course this house is not acquainted with all the verbal assurances given by the minister with regard to the Seven Sisters falls.

Mr. STEWART (Edmonton): I made that statement before and I simply reiterated it to-day.

Mr. HEAPS: I am not disputing that that statement was made, but I do think when a provincial government is offered its resources with a possible development of about 225,000 horse-power it requires something more than a mere verbal assurance from the minister; I think there should have been something in writing.

Mr. STEWART (Edmonton): No water-power site has been handed over by me without the consent of Premier Bracken, or any other western premier.

Mr. HEAPS: That is quite correct. All I wanted to know was whether there was anything in writing, some time in 1927, between the two governments in connection with the provincial government having the right to develop this site, apart altogether from the verbal assurance the minister informs the house he gave the Premier of Manitoba in 1927. Again looking up the correspondence tabled in the house last week, what do I find? On June 7, 1927, the following letter was addressed to J. T. Johnston, director of water-powers, Ottawa:

Dear Sir,

I hereby apply for a priority permit for the right to develop power on the reach of the Winnipeg river known as "Seven Sisters" in accordance with plans which are now being prepared and will be submitted to you in the near future.

It is desirous to have the permit issued in the name of a company which is now in process of incorporation. As soon as it has advanced sufficiently I shall furnish you with the name of the company in question, and which of course will be a subsidiary of Winnipeg Electric Company.

This is a continuation of the negotiations which have been carried on for some time with your department relative to power development at the above site.

Yours truly,

(Signed) E. Anderson,
Counsel.

This is from the Winnipeg Electric Company applying to the department at Ottawa for a priority permit for the development of this site. I would venture to state that when the company made application for this priority permit in 1927 they were pretty certain they were going to have the site. There is, of course, nothing on record to prove that. I am only expressing an opinion and I will support my opinion with one or two other letters that are on file. I read now a letter dated August 23, 1927, from the Winnipeg Electric Company, legal department, to J. T. Johnston, director of water-powers, Ottawa, Ontario:

Dear Sir: We have incorporated the Northwestern Power Company Limited under Dominion charter and it is in the name of this company that we desire to have the priority permit issued in respect of the Seven Sisters development,

Yours truly,

(Signed) E. Anderson,
Counsel.

Mr. RALSTON: Might I suggest that the hon. member read the answer to the first letter he just read, that of June 7? It would indicate the attitude of the minister.

Mr. HEAPS: Certainly. This is a letter dated June 13, 1927, from the Department of the Interior, addressed to E. Anderson, Esquire, counsel, legal department Winnipeg Electric Company:

Sir: This will acknowledge receipt of your letter of June 7, applying for a priority permit for the right to develop power on the reach of the Winnipeg river known as the Seven Sisters, in accordance with plans which are now being prepared and which will be submitted in the near future.

I note that it is desired to have the permit issued in the name of a company which is now in process of incorporation and that as soon as this has advanced sufficiently you will furnish me with the name of the company in question. It is noted further that this application is a continuation of the negotiations which have been carried on for some time with this department relative to power development at the above site.

As you are aware, in view of our commitments to the province in respect to the development of this Seven Sisters reach, it will be necessary to have an exchange of views between all parties concerned, centering around the securing of the maximum possible power output from the combined Pinawa-Seven Sisters reach, before any final commitment will be made by this department. In the meantime, pending the receipt of your further material in support of your application, your application for a priority permit is duly recorded on our files.

Your obedient servant,

(Signed) J. T. Johnston,
Director.

But I notice there is nothing on file from the Manitoba government.

Mr. STEWART (Edmonton): If I infer correctly, the hon. member is endeavouring to prove that we were blocking the Manitoba government's attempts to get this power site. In view of what he is endeavouring to do, may I ask this question: did Mr. Bracken or anyone in the Manitoba government ever suggest that they had a priority permit for that power site?

Mr. HEAPS: I am not making any such suggestion just now.

Mr. STEWART (Edmonton): What is the hon. member trying to do?

Mr. HEAPS: What I want to point out is that the minister has on more than one occasion stated that the provincial government were advised of everything that was taking place in reference to this power development.

Mr. STEWART (Edmonton): Absolutely.

Mr. HEAPS: Were the provincial government advised immediately after June 7, when this communication was signed by the minister's department, that the Winnipeg Electric Company had made application for a priority permit?

Mr. STEWART (Edmonton): They were kept advised of everything. Not only that, but my hon. friend well knows that from 1927 onwards they were negotiating with the Winnipeg Electric Company about this very matter, and there certainly was no attempt on our part to hide or withhold anything from the Manitoba government. The contrary is the case.

Mr. HEAPS: To me it is rather surprising that if the Manitoba government were being kept advised of everything that was taking place here, there were no communications sent from the department to the Manitoba government.

Mr. STEWART (Edmonton): May I refer the hon. member to the letter written by Mr. Bracken in which he states that he has now made a satisfactory arrangement with the

Winnipeg Electric Company and asks that his priority permit do not have precedence, but points out that if I refuse to deal with the Winnipeg Electric he wants to be put back in the old position. That is on the files.

Mr. HEAPS: That communication was some time in 1928.

Mr. STEWART (Edmonton): I am speaking of the whole proceeding. That communication came from Premier Bracken to me and it is direct evidence that he, at all events, felt he had priority in connection with the permit.

Mr. HEAPS: I am a little at a loss fully to understand the minister in his statements. I would very much like to follow him and endeavour to find a basis for his argument; but in this correspondence that has been tabled there are only three or four letters for the whole of 1927 and nothing to show that the provincial government knew what negotiations were taking place between the minister or the head of his department and the Winnipeg Electric Company, and all I can go by is what is actually on record. I do not know what conversations took place between the minister and the Manitoba government.

Mr. STEWART (Edmonton): I am asking the hon. member not to depend on conversations but on the letter which is a clear indication that during the whole proceeding the Manitoba government had no other idea than that they occupied a priority position, which they did.

Mr. HEAPS: If they did, it was only in a verbal sense anad not in a written sense. I think that is fairly clear from the statements made this evening by the minister himself.

Mr. STEWART (Edmonton): I am not going to argue further with my hon. friend.

Mr. HEAPS: All I am trying to do is to get the facts.

Mr. STEWART (Edmonton): Well, my hon. friend has them.

Mr. HEAPS: I would be satisfied if I had them and I will have to place my interpretation upon the correspondence tabled. Nobody in Manitoba seemed to know in 1927 that a company had been formed for the purpose of taking over the Seven Sisters site. It came as a distinct surprise to me and it was only lately that most people in Manitoba became aware of the fact. When we met the minister in conversations on so many occasions last year I do not think any statement was made in reference to any company having been formed for the purpose of taking over this particular power site. In October and November of 1928 the same company wrote to the department in regard to lands which were then being acquired by private individuals, protesting against those people obtaining lands because they thought if those lands were obtained, the development of the power site might be in some way interfered with. The Manitoba government never wrote about that. They never made any protest about this land being obtained by those private individuals. It was practically all a matter of negotiations that were carried on between the private corporation and the government.

Mr. STEWART (Edmonton): I do not propose to let my hon. friend during the course of the debate get away with any insinuations in regard to the matter. I told him to-night, speaking before six o'clock, that the Winnipeg Electric had those lands secured in 1906—he will find that if he will refer to his notes—and that negotiations had been pending for more than eighteen months between the company and the Manitoba government in respect to the matter. Evidently at that time the company felt that they were going to make an arrangement with the Manitoba government. I have no knowledge of that.

Mr. HEAPS: The minister has just stated that in 1906 the Winnipeg Electric Company was buying up land.

Mr. STEWART (Edmonton): Around the Seven Sisters.

Mr. HEAPS: Did not the minister say that there was no land being bought up in 1927 by the Winnipeg Electric Company?

Mr. STEWART (Edmonton): No, I did not say anything of the kind; you are saying that.

Mr. HEAPS: Agents secured land for the company near the site of the Seven Sisters falls. Allow me to read this letter from Mr. Anderson, counsel of the Winnipeg Electric Company, addressed to the water-powers branch, under the date of October 28, 1927:

> I am informed that someone has applied for homestead rights, or right to purchase two legal subdivisions 9 and 10, section 25, township 30, range 11, east. As this land is in the vicinity of Seven Sisters falls it would be reserved for water-power purposes.
>
> I understand the Dominion Lands office here is to give an answer to the applicant on or before the 25th November. Perhaps you will be good enough to take this up with the proper department at Ottawa and see that the land is reserved for water-power purposes.

There is another letter of a similar character in regard to people who were contemplating building summer cottages in that district, and the government was asked to try to prevent them from building because of the damages that might subsequently ensue.

Mr. BOWMAN: Was not that the right thing to do?

Mr. HEAPS: They seemed to have a pretty good idea at that time as to what was going to be done. That was in October, 1927.

The minister told us this afternoon that his department had made a very good contract with the company. Well, about ten days ago one of the directors of the Winnipeg Electric Company was on the stand in Winnipeg giving evidence, and he said that the company had also made a pretty good contract with the government. I leave it to the ordinary member to say which party would be likely to get the best of such a bargain. Having had a little experience with these public utility corporations myself, I have no hesitation in saying that there is no contract which the minister or his department could enter into with a private corporation that could not be shot full of holes. No contract is proof against the wiles of lawyers when it comes to shooting holes in it. I have had that experience in Winnipeg, and thirty or fifty years from now you will find this agreement so hedged around in a thousand ways that it will be almost impossible for the people of Manitoba to own that utility.

For the benefit of one of my hon. friends from Manitoba who thought the government had done very well in this contract, and asked how much the site was really worth, let me quote from the financial page of a newspaper which certainly will not be accused of public ownership tendencies, the Montreal Star. In its issue of January 25, 1929, about six weeks ago, it had this to say, in a little item on its financial page, headed "Seven Sisters Power":

Seven Sisters Power

"The Seven Sisters Power financial plan will be announced shortly and it is understood that Winnipeg Electric will be given 80 per cent of the common stock of the company," state O'Brien & Williams, members of the Montreal Stock Exchange. The item adds: "When Winnipeg was handed 60,000 shares of Manitoba Power, under similar circumstances nothing was thought of the transaction yet the Manitoba Power shares last year sold far over $100 on the market and it was rumored that control of Manitoba could have been sold for 200. As Winnipeg now owns 100,000 shares of Manitoba people did not need a pencil to calculate that Winnipeg had been given an asset on a silver platter that might be conservatively valued at from $15,000,000 to $20,000,000. The believers in Winnipeg Electric, with the Seven Sisters project in mind, are expecting history to repeat itself".

That will give hon. members some idea of the value people on the stock exchange attach to the power site.

Let me give this other illustration for the benefit of some of my hon. friends from Manitoba. There was a proposal made for the canalization on the St. Lawrence waterway which has come to be known as the Beauharnois scheme. People were prepared to develop that canalization scheme for nothing, provided they got the rights to the power incidental to its development. I am informed by what I believe to be reliable authorities that the total amount of horse-power that could be developed in the Beauharnois project is about equal to the water-power that could be developed at Seven Sisters. Putting one project against the other, you get some idea of the value of the Seven Sisters power site on a commercial basis.

My hon. friend from Winnipeg North Centre put the value of the site at $28,000,000. I want to give you another idea of its value, particularly for the benefit of my friends from Manitoba. When the Manitoba members were discussing this project one day with Mr. Anderson of the Winnipeg Electric Company, who now is its president, he put the value of 35,000 horse-power at the Pinawa plant, where the rights run in perpetuity, at $15,000,000. That was no doubt a very high estimate, but if you reduce that considerably, and calculate the value of the Seven Sisters site on the same basis, it would be worth in the neighbourhood of $40,000,000, not $28,000,000. Those who are in touch with water-power development estimate that two dollars per horse-power per year would not be a very high figure for a power development such as that at Seven Sisters, and at that rate of two dollars per horse-power per year, for 200,000 horse-power continued for some thirty to fifty years—well, hon. gentlemen opposite can very easily calculate what that site should be worth in dollars and cents.

I want to deal for a few moments with one or two remarks that were made in this debate by some of my hon. friends from the province of Manitoba. The hon. member for Marquette (Mr. Glen), speaking the other day, seemed to castigate me because I had suggested that when the hon. member and some of his friends went to the Royal Alexandra hotel in Winnipeg to meet the minister, they met in a back room. Of course I knew very well that when the minister went to the hotel to consult with the Manitoba members and

deal with the question of the Seven Sisters site he would not meet them in a back room of the Royal Alexandra or any other hotel. I knew that he would have a suite of rooms befitting the dignity of a minister, and meet the members in a nice, large, airy room. What I implied was that it was a room that the public had not access to. I was using the words in a metaphorical sense; I meant that they met in a room to which the press did not have access, and where the people of Manitoba did not know what was going on. I am sure the hon. member for Marquette would admit that the people of Manitoba were vitally interested in what the disposition of the site was going to be. So far as the seven members who were present are concerned, I have really little to say.

Mr. DUFF: One for each sister.

Mr. HEAPS: I do not wish to make any references to that; that more becomes my hon. friend.

Speaking the other day on this question, the hon. member for Marquette made the following statement, which I do not think was altogether in keeping with the remarks he has made previously on this question. He said:

> The lease was granted by this government on the request by order in council of the government of Manitoba. There was the considered opinion of the province of Manitoba asking that the lease be granted to a particular company, and expressed in the form of an order in council, and this government naturally acceeded to that request, as they were bound to do.

When my hon. friend considers the statement which he made I think he will agree with me that it does not do his previous utterances justice. He will not say for one moment that the opinions expressed by the Premier of Manitoba were the considered opinions of the province. They certainly were not. Perhaps I could not answer the hon. member for Marquette better than by reading the telegram which he sent to the Minister of the Interior on September 8, 1928, and which will be found in the correspondence tabled last week. When the hon. member, along with the other members from Manitoba, received a telegram from the Minister of the Interior to the effect that he had made the best agreement possible, my hon. friend sent this message in reply:

> Received your wire. Regret decision that federal government should give lease. I still feel you should hand over all documents to provincial government and they attend to completion of them. Correspondence should be immediately published and you should have no dealings with company.

Mr. GLEN: Exactly my position.

Mr. HEAPS: I quite agree with that statement, but I do not agree with the statement the hon. gentleman made in this house on Friday last. The two are at complete variance. Undoubtedly if the Minister of the Interior had handed over this power site to the provincial government to deal with as they saw fit, they would have been compelled to submit their decision to the legislature, and I would have had no fault to find with the action of the minister.

Mr. STEWART (Edmonton): Oh yes, you would.

Mr. HEAPS: I think the hon. minister is a little bit too presumptuous.

Mr. STEWART (Edmonton): Not a particle.

Some hon. MEMBERS: Order.

Mr. HEAPS: I have given the minister no occasion to be offensive. This afternoon he made certain remarks which I resented, and if other members conducted the debate in the same way, as did the minister, this house would be denied all opportunity of intelligent discussion. He pointed to this corner of the house and accused the members sitting here of not knowing what they were talking about. I would not make such a remark in reference to any hon. member, no matter in what corner of the house he happened to sit. In making a statement of that character I am forced to the conclusion that the minister was not acquainted with all the facts. It is just possible that some of us who are criticizing his action may have some little understanding of the situation so far as hydro-electric development in the city of Winnipeg is concerned. Prior to my becoming a member of this house I spent almost nine years in the city council of Winnipeg, and during the major part of that time I was closely identified with the hydro-electric development in relation to the city's public utilities. When the minister taunts us in this corner with not knowing what we are talking about on hydro-electric development, it seems to me he should be a little better grounded in his facts.

Mr. STEWART (Edmonton): I did not make that particular statement—

Some hon. MEMBERS: Order.

Mr. STEWART (Edmonton): I think I am in order; when I am out of order I will resume my seat. The statement I made this afternoon had reference only to this particular lease that we are discussing. I am not accusing my hon. friend of not knowing all about the Winnipeg Electric.

Mr. HEAPS: This lease, Mr. Speaker, is very closely bound up with hydro-electric development in Winnipeg. No other part of Manitoba has the same vital interest in the terms of the lease as have the people of that city.

Mr. GLEN: Will you allow me a question? In reference to some words of mine that the hon. member quoted, I do not wish to accuse him of misleading the house as to what I intended to say; but if he will look at what I said he will appreciate that I was speaking with regard to the lease. I said that that lease was granted at the request of the government of Manitoba through an order in council, and I went further and said that the federal government naturally acceded to that request. Has the hon. gentleman forgotten that already this government had undertaken to deal with the power site at the wish and pleasure of the province of Manitoba, and they were naturally bound to do so?

Mr. HEAPS: That is the hon. member's explanation, and he has read exactly what I read. Consequently I do not see that I can be accused of misquoting him.

Mr. GLEN: The hon. member is not misquoting, but he attempted to convey something different from what I intended to convey.

Mr. HEAPS: I do not think I conveyed anything except what is stated by the hon. gentleman himself. I am afraid I did not know what his intentions were in the matter, but I am ready to give him credit for good intentions.

While the agreement was made some time in July, I think if no arrangement had been made between the province of Manitoba and the federal government—again I am only expressing an opinion—the lease anyhow would have been made to the Winnipeg Electric Company. In my opinion the lease of July was only a more respectable way of handing over the power site than if it had been dealt with directly. It also afforded a very good reason for some of my hon. friends to be able to say: Now that the federal government have agreed to hand over its natural resources to the province of Manitoba, we cannot oppose the action of the government. The very haste with which the lease was made in the early part of July of last year lends weight to that particular interpretation.

Mr. GLEN: It is an opinion.

Mr. HEAPS: Yes, it is an opinion on which we both differ. My hon. friend knows how to hold to his opinion; I shall hold to mine; and in the ultimate I suppose the people of Manitoba will be the judges.

I intend, Mr. Speaker, to vote for the amendment. Not because it happens to be moved by a member of the Conservative party; I would have voted for it had it come from any other section of the house. One of the first things I did this session was to ask the right hon. Prime Minister, in connection with the St. Lawrence development, whether the house would be given an opportunity to discuss the question. I am in favour of all these important questions being dealt with by parliament, not by order in council. I believe that is good Liberal doctrine. I know it is characteristic for the Conservative party to become Liberal when in opposition, and for the Liberal party to become Conservative when in power. Evidently we are witnessing such a phenomenon at the present time on the question of orders in council. I remember very well that one of the very last speeches by the grand old chieftain of the Liberal party, Sir Wilfrid Laurier, was delivered in the city of Ottawa in January of 1919, and it was a scathing denunciation of government by order in council. I oppose government by order in council, whether it has to do with the Beauharnois scheme or with the Seven Sisters scheme. If the province of Manitoba were in full possession of their natural resources, I could have no objection whatsoever to any disposition that the provincial government might make of this particular power site. But the Manitoba government did not have that power last year when they requested the Dominion government to hand over the Seven Sisters power site to the Winnipeg Electric Company. If this resolution we are now considering had been in effect a year ago, then I believe we should all have been better off for it; and the fact that it would have been a good thing a year ago is no argument that it is not a good thing to-day. It merely indicates that we are somewhat late in having a motion of this character discussed by the house. The resolution is not aimed at Saskatchewan or Alberta or any of the other provinces. I believe that if this resolution were adopted by this house such questions as the Beauharnois development on the St. Lawrence would also of necessity have to come to the house for ratification. And why not? After all this house has to assume the final responsibility.

This afternoon I listened to the very eloquent speech of the Minister of Agriculture (Mr. Motherwell). The hon. gentleman spoke

of what would happen in the event of the delay that would be occasioned if this house approved of this resolution for the ratification of water-power leases. But what is happening now in connection with the Seven Sisters lease? Has not the Manitoba government, even at this late hour, said to its legislature that it intends submitting to that body the agreement for ratification? Does not that in itself indicate that delay is not of such great consequence? When a power development is under consideration, covering a lease of fifty years or probably longer, then a delay of three or four months is of little consequence to the people of the Dominion. Moreover, these private corporations who intend to develop these natural resources are not undertaking their development from philanthropic motives; they are developing them because they believe it will be profitable. I am sure, therefore, that these financial corporations could very well afford to wait a few months until parliament could ratify an agreement. Consequently I am in favour of the amendment, which has now been restricted to water-powers. The case of Alberta has been cited by my hon. friend from East Calgary (Mr. Adshead). I want to assure him that there is no analogy between Alberta and Manitoba; the two cases are entirely different. Alberta has no publicly owned development; the development there is carried on by private utilities. In Manitoba, however, we have a very large development by publicly owned utilities and a large development by private enterprise, and in my opinion if Alberta were in the same position as we are in in the province of Manitoba they would be fighting for their power rights just as the members from Winnipeg are fighting.

Mr. ADSHEAD: Did not the government of the Dominion consult the Premier of Alberta, and not the legislature?

Mr. HEAPS: That is perfectly true; he did. At the same time, let me point out, he did not consult with the members from the province of Alberta, whereas in this case the minister consulted with the members from Manitoba, giving them an undertaking that no action would be taken until they had composed their differences. And no hon. member will get up to-day and say that we have composed our differences. We are almost in the same position as we were in last year; we have not composed our differences. Consequently, when that statement was made by the Minister of the Interior on the 6th June, 1928, we accepted his pledge implicitly; and because he gave that pledge we decided to take no further action in parliament. Had the minister stated on June 6, 1928, that it was his intention to hand over the site to the private company for development, ways and means would have been found in this house of testing the feeling of the house as to whether that was the right and proper thing to do. We therefore let the opportunity go by last year, when we had that opportunity, because of a statement made in this house, and consequently we have a right to feel somewhat disappointed at the attitude of the minister on the question. I am not questioning that he did what he considered to be in the best interests of all concerned, but I question whether he used the best judgment in the circumstances. And there is, of course, a big difference between the two.

In a way I am sorry to see the fight between the private and public utilities of Manitoba brought into discussion on the floor of the house; I should prefer to have seen the question fought out in Manitoba. And had the matter been fought there I am satisfied on which side the people of Manitoba would have stood. There is no question about it. One of the reasons why the Premier of Manitoba did not want that agreement sent direct from the government to the private company was the fact that he was not too anxious to submit the matter to the legislature of Manitoba. He was not sure whether the legislature would adopt it. We see what has happened in that province. I am safe in saying that the Premier of Manitoba to-day has completely lost the confidence of the people of that province.

Some hon. MEMBERS: Oh, oh.

Mr. HEAPS: Are my Liberal friends coming to the support of the Premier of Manitoba?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The resolution now before the house, with the amendment thereto, is fraught with such serious consequences to industrial development in the prairie provinces that I cannot allow the discussion to close without contributing some remarks on the subject.

One of the great problems of Canadian development in the past twenty-five years has been the fact that there has been comparatively little industrial development in western Canada while there has been a very marked industrial development in the east. During the past few years a change has come about and western Canada is now experiencing a greater industrial development than at any

period in its history—an industrial development which I feel sure will go far to maintain that balance between agriculture and industry which is a necessity if a country is to be permanently prosperous.

The resolution as drawn on the record is entirely impractical; it would involve in effect an act of parliament for the disposition of any of the resources presently administered by the Dominion in the three prairie provinces, whether those resources be land, water-powers, minerals, coal, timber or anything else —a situation which does not obtain in any of the other provinces of Canada which control their own resources. I gather from the discussion that the resolution was framed in order to give my hon. friend who introduced it (Mr. Woodsworth), and others, an opportunity of expressing in this house their views in connection with the particular disposition of the Seven Sisters falls rather than an opportunity for discussing the whole broad general question as it relates to the three prairie provinces.

Mr. WOODSWORTH: I have already said that such was not my purpose in introducing the resolution.

Mr. DUNNING: The discussion has been very generally directed to that one transaction, and I think my hon. friend will agree with me that he did not advance very cogent reasons for the adoption of his resolution in its wide application, as indicated by its language. He did not advance cogent reasons as to why, for instance, the land policy of the Dominion with respect to western Canada should be wiped out, why that great body of law which has been built up in the fifty years since confederation, to control the actions of the minister and of the government in administering the resources, should be abolished with a scratch of the pen, as would be necessary if the resolution were adopted, so that the policy should be followed of saying to every one, "Well, we cannot tell you whether you can get this piece of land, or timber, or water-power, or these minerals: you will have to wait until parliament acts", —the parliament of Canada being the House of Commons and the Senate in parliament assembled. That is what his resolution means, and I am in the judgment of the house as to whether my hon. friend did advance any cogent reasons why such an important change in public policy should be brought about at the present time. I am concerned with it, I say, because of the industrial development presently taking place in western Canada, a development largely based upon the natural resources of that part of Canada which are now receiving, in one way or another, greater attention than has been the case previously in the history of the country.

Let us take one stream and consider the effect of the amendment relating to water-powers; take the Winnipeg river. The water in the Winnipeg river, so long as it remains in the province of Ontario, could be disposed of by an order in council from Queen's Park, Toronto, but once that water passed the boundary of Manitoba, if my hon. friend's amendment carried, an act of this parliament, confirmed by the senate, would be required before any use could be made of it. That is the ridiculous situation which would be brought about by the amendment moved by the acting leader of the opposition (Mr. Guthrie) in connection with just that one stream.

Mr. WOODSWORTH: May I ask as a matter of fact whether the development of the upper reaches of the Winnipeg river is not handled by this government for the welfare of Canada as a whole?

Mr. DUNNING: I do not believe that is a fact. The government of Canada have cooperated in conservation matters on that particular river, but I am in the judgment of the Minister of the Interior as to whether the disposition of the water-power of the Winnipeg river in Ontario is not in the hands of the provincial government. The moment the water passes into the province of Manitoba, however, if the amendment moved by the acting leader of the opposition went into effect, an act of parliament would be necessary to make it available to the industries of Manitoba.

Mr. WOODSWORTH: I do not want to interrupt—

Mr. DUNNING: My hon. friend has made two speeches on this subject already, and I propose to take up only ten or fifteen minutes of the time of the house. I do not wish to make any insinuations about my hon. friend's motives in moving this resolution; I believe him to be quite sincere, but I do think he displayed bad judgment in the drafting of the resolution. I will not say of him unkind things such as he has said of the Minister of the Interior, but I have some knowledge of the difficulties with which the minister has to deal in connection with these matters of leases and so on, and I know that no man who has

occupied that position has guarded the public interest more meticulously than has the present Minister of the Interior.

Then let us pass on from the water in the Winnipeg river; let us consider the prospector who is in the Rocky mountains looking for a ledge of gold or some other precious or base metal. When he found that ledge, if my hon. friend's system were in vogue he would have to worry about which side of the divide he was on, and sometimes in the Rocky mountains it is rather difficult to tell which side of the divide you are on. If he were on the British Columbia side he could go to the office of the nearest mining recorder and there and then get possession of his claim subject to the laws of the province, but if my hon. friend's system were in operation and his find happened to be on the Alberta side of the divide, an act of this parliament confirmed by the senate would be necessary before that prospector could do anything. Surely that is an absurd situation. As I say, this parliament has taken fifty years to build up a body of law which will ensure that successive ministers will administer these resources in the best interests of the people of the country. Parliament is made acquainted each year, through documents tabled here, with the manner in which the minister for the time being has been discharging his stewardship, and of the hundreds and thousands of dispositions which have taken place and which have been reported to this house, the only one to be discussed during the course of this debate is that in connection with the Seven Sisters falls.

Now may I refer to the policy of taking advice from the provincial governments of Manitoba, Saskatchewan and Alberta with respect to the disposition of their important resources. I want to say that ever since the present government came into office in 1921 the Minister of the Interior has consistently followed the policy of consulting the western governments with respect to the disposition of major resources of this character. He consistently consulted me during the time I was premier of my province; I know he has consistently consulted the premier of Alberta and the premier of Manitoba as well during that period. Is that policy wrong? It is an acknowledgment of what we were debating in this house the other day; it is an acknowledgment that with respect to these resources in these three prairie provinces the Dominion is in reality a trustee. These provinces have had responsible government for nearly twenty-five years. Who then should speak for the people of these provinces if not the responsible governments elected by the people? How can this government expect to secure information with respect to what the people of a province require if not from the government of that province? What would be said if we refused to regard a statement made by the government of Ontario or the government of Quebec, as expressing the will of the people of these provinces? One has only to imagine it.

Mr. BOIVIN: We would not put up with it.

Mr. DUNNING: That is what we would have to put up with in the west if the sort of thing advocated by the resolution and the amendment were permitted.

I listened with a great deal of interest and pleasure to the hon. member for Vancouver North (Mr. McRae); I was very much interested in what he said in respect to water-power and the desirability of public control—and I use those words "public control" advisedly, because that does not always involve public development even in the public-ownership province of Ontario. However, I suggest that my hon. friend was preaching to the wrong congregation this afternoon. When he spoke, and spoke truly, of the situation which has developed in the United States he did not answer his own obvious question, "Why has it developed?" It has developed because in the United States, as in Canada, there is a federal system of government and the states do control their own water-power. He cited one instance which proved that point, when he referred to the very excellent laws on the statute books of the state of California for the control of water-powers within that state. Yes, that is true; the laws are on the statute books of the state of California, and not on those of the congress of the United States. His arguments were splendid, but they were addressed to the wrong body.

However, I agree that his argument would apply with respect to the Northwest territories lying north of our existing provinces; I think my hon. friend made reference to the Northwest territories and the wonderful water-powers on the northern rivers. It seems a strange thing that after starting to deal with all the resources of the country the discussion finally narrows down to water-powers, and then practically altogether to the water-power of the middle west. My hon. friend even left those alone; he was inclined to concede that with respect to the resources of the western provinces the governments of those provinces should be considered, and then he went away

off to the north of the existing boundaries of our western provinces, although I venture to say that not a single water-power has been alienated in that region as yet, because no one wants them. I agree that it is well for this parliament and for all the provincial legislatures having these matters within their control to bear in mind what my hon. friend said with regard to the necessity of conserving these great resources for the maximum benefit to the public to whom they belong, but again it is a question of whose jurisdiction obtains. If this parliament or any member of it set up a claim to-day to the water-powers of the province of Quebec or those of the province of Ontario I can just see my hon. friends opposite rising in their serried ranks to protest against any such claim on the ground of provincial rights. We have often heard that cry in this house, but we in the west possess provincial rights just as much as they are possessed in the older provinces of Ontario and Quebec.

Mr. HOCKEN: You have not got them.

Mr. DUNNING: We are progressing in that direction, and this government has made greater progress in that way than any other government since the provinces were formed, and we intend to continue along that line. The criticism which has been directed against the Minister of the Interior has been directed against him because he has gone further in an acknowledgement of the provincial rights of the province of Manitoba than any other minister of the interior ever went. That is the reason for all the criticism, and that government is not regarded as a supporter of this government politically; it is a Progressive government.

Mr. HOCKEN: What is the difference?

Mr. DUNNING: I will let hon. gentlemen in the corner speak and vote for themselves in that regard. My hon. friends do not seem to have much difficulty in cooperating with them on some matters this session, and we will just see how that works out in the course of time.

There can be no question in the mind of anyone that the minister acted in accordance with the desires of the government of Manitoba, a government which must be presumed a responsible government, responsible to the legislature of that province. Let me apply the principle to the province of Alberta. Would anyone in this house say that if the government of Alberta were consulted, as is frequently the case, by the Minister of the Interior with respect to the disposition of major resources of that province, the minister should ignore the recommendation of the province and regard that government as not representing their province?

Mr. IRVINE: Precisely what he has done.

Mr. STEWART (Edmonton): Where?

Mr. IRVINE: Spray lakes.

Mr. STEWART (Edmonton): I deny that charge, and I want the hon. member to take it back. At no stage did I not consult with the province of Alberta.

Mr. DUNNING: If the hon. member is correct, then the Minister of the Interior is to get it coming and going; he is to be wrong if he does consult with the provincial government and take their views, and he is to be wrong if he does not consult with them. Applying the principle of public ownership to the province which is the best known throughout the world for public ownership development of electrical power—the province of Ontario—I believe I am correct in saying that power sites are disposed of to private interests; not all the power sites in the province of Ontario are held for ever until they can be incorporated in the provincially owned power system. I do not blame the province of Ontario for doing this; they are dealing with a condition and not a theory. There are areas in the northern part of that province similar to the northern parts of Manitoba, Saskatchewan and Alberta where great developments are in prospect; where for many years there can be but one user of the electrical powers created. I do not blame the Ontario government for saying in such cases, "You can have this power to develop, but it must be developed under certain terms." That is precisely what is happening in the northern parts of Manitoba and Saskatchewan; I do not know so much about Alberta.

If any such amendment as this passed the house, carrying with it as it would the necessity of amending the law, it would tend to strangle, as nothing else could, the industrial development of the resources of northern Manitoba and northern Saskatchewan. Why is that? In certain parts of this country it is possible to get coal for the purpose of developing the large base metal resources, but in these northern parts it is necessary on economic grounds to use electricity, and that electricity can only be secured from one source, the streams and falls which are there. Shall we refuse to allow that development to go on? Shall we say to everyone, "You must take the chance of running the gauntlet of parliament"? This house could do nothing which would be more sure of stifling and

strangling the industrial development of the northern parts of those western provinces than to pass this resolution or the amendment and to amend the laws which would be necessary to be amended if the resolution or the amendment were passed. For these reasons, Mr. Speaker, which are satisfactory to me, I intend to vote against both the resolution and the amendment.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, it may be assumed from the speeches of the Prime Minister (Mr. Mackenzie King) and the member for Melfort (Mr. McLean) that water-powers as distinguished from other natural resources have some special attributes and characteristics. That being the case, it follows naturally that they are deserving of some special treatment, and this amendment, as I read it, provides that special treatment. The resolution, as amended, reads:

> That, in the opinion of this house, no disposition of the water-powers, under the control of the federal government, shall be effective until ratified by parliament.

I understood the Prime Minister to say the other day that we would be breaking an agreement by the passing of this amendment —referring, I take it, to the agreement made with the province of Manitoba in July of last year. With all due respect, Mr. Speaker, I cannot see how that could be. If that agreement entered into under an order in council in July last is a binding agreement as to resources under the control of the federal government, then this resolution cannot be said to be a breach of that agreement because it deals with the resources now under the control of the federal government. If the resources passed under that agreement from the control of the federal government no action of this house under the resolution could have any effect upon that contract. It has been said that we would be acting in breach of that agreement by discussing the matter in parliament and passing a resolution which refused to ratify the agreement. I say that is precisely what parliament is for, otherwise why do we bring conventions and protocols here for ratification? Simply to have the rubber stamp of parliament's approval put upon them, or to have discussions upon them and to ratify them when found proper? The Prime Minister, speaking only a few days ago on the proposed amendment to the Navigable Waters Protection Act, told the house that there was already a clause in that act which would enable parliament to undo what had been done by order in council or through the granting of a permit under the provisions of that act. In principle that is the sort of thing we are doing here to-day. We are discussing this matter after the thing has been done; whether it should have been done and whether or not it should be ratified. If we have not the power to change it no harm is done; if it requires ratification we are within our rights in refusing ratification. In any case we have the satisfaction of having the whole question disclosed and aired in the house. I think the resolution as it now reads will find ready acceptance by the member for Winnipeg South Centre (Mr. Thorson), and perhaps by the member for South Winnipeg (Mr. McDiarmid), who seems to have agreed throughout the negotiations with the member first named.

I do not think the member for Winnipeg South Centre is in the house, but he will recognize the words he used and which are found in Hansard of February 28, 1929, on page 559. He was there discussing clause 6 of the agreement entered into with the province of Manitoba in July of last year, and he says, at the bottom of the page:

> I have this criticism to make, namely, that the change in policy was so vital that it should not have become effective until ratified by parliament, and that a rider should have been attached to clause 6 of the natural resources agreement to the effect that until the fundamental change in the policy of administering the resources had been approved by parliament, the change of policy indicated by clause 6 should not go into effect.

On the same page, he has the following to say:

> In view of the differences of opinion that existed in this house; in view of the differences of opinion that existed in Manitoba; in view of the undertaking which the Minister of the Interior (Mr. Stewart) gave on the floor of this house, and in view of the developments that have taken place, I think it would have been a wise course to follow to take the view that before this fundamental change in the policy of administering the natural resources of Manitoba should come into effect, it should be ratified by parliament. That would have been in the interests of all concerned here; it would certainly have been in the interests of the government of Manitoba which finds itself in such difficulties to-day.

I assume that the member for Winnipeg South Centre, and the members of the house who agree with that hon. gentleman and have agreed with him throughout these negotiations, cannot do otherwise than support the amendment now before the house.

I am not so sure about the member for Marquette (Mr. Glen). There have been occasions when that hon. gentleman has been decidedly of one opinion, but when the time came for a vote he cast his vote the other way, and I believe that is his case to-day. Let me remind the house of what the member for Marquette said when this matter was

under discussion on the 28th of February last. His remarks will be found on page 543 of Hansard and what his concern was throughout the negotiations with the Minister of the Interior is stated as follows:

> We were determined to do all in our power to delay the issuance of that lease until the representatives of the people of Manitoba had had an opportunity of declaring themselves on the matter in the legislative assembly.

That is good doctrine, and if those hon. gentlemen are disposed to adhere to what they said at that time, the opportunity is still before them to see that this particular transaction and others like it are ratified in the house and come up for discussion and action before the legislative assembly of Manitoba. As regards the Minister of Railways (Mr. Dunning), he can see no good whatever, now or at any previous time, in a member of the house holding views similar to those which have been expressed by my hon. friends from Marquette and Winnipeg South Centre. So in one case I would expect and in the other I would hope that when the yeas and nays are called for on this resolution, my two hon. friends, with those who have been closely associated with them, will be found voting in favour of the amendment now before the house. True, there is this to be said of the hon. member for Marquette, that he found himself at the end of his address able to say that he was supporting his government. He said:

> I believe that the province of Manitoba through its legislature is alone responsible to its citizens for what is done with that power site. Our duty ceased as soon as the agreement was arrived at between the Dominion government and the province.

I submit to the house for its consideration whether that last clause is inspired by some sort of feeling of relief or of disappointment.

I do not propose to refer at any length to the controversy that has arisen between the Minister of the Interior and certain hon members representing constituencies in Manitoba; but it seems to me strange that the other night—and I regret to say this is the second time I have spoken on this matter—the minister interrupted me when I was speaking, and his interruption was welcomed, to say that when he answered the leader of the opposition (Mr. Bennett) last year, he was referring to a difference of opinion, not between parties in the legislative assembly or parties amongst the citizen body of Winnipeg or of Manitoba, but existing among members from Manitoba in this house. My hon. friend narrowed that a little again to-night. He said that he was quite willing and ready at all times to discuss matters with members representing constituencies in the particular province affected. He preferred to assuage the anxieties of the members from that particular province who were with him, thought as he did and sat on the same side of the house as he did. If it be a desirable thing that the Minister of the Interior, in discussing the affairs of his department and deciding what he is to do in carrying on those affairs, should consult any body of members of this house, even restricting that body to members of the house who are on the same side as he is then it seems to me a certain principle is admitted, namely, that all the members of the house are entitled to some opportunity for discussion and consideration of the action to be taken in regard to a transaction about to be consummated. Having admitted the principle, I cannot for the life of me see why he will not go the whole distance and say that, if it is proper to consult members from that particular province or even members from that province who sit on the same side of the house as he does, it is proper that he should consult all the members of parliament who are here and prepared to discuss matters of that sort. I think that was in the mind of the Minister of the Interior before, because there is in the file that was laid on the table a letter which shows conclusively that the question of having the legislature of Manitoba consider this particular transaction, the Seven Sisters falls, was before the parties who entered into the contract in August last, since Mr. Bracken writes to the Minister of the Interior as follows on 31st May, 1928. He had apparently been down here discussing the matter of the Seven Sisters falls with the Minister of the Interior. He begins his letter thus:

> In view of some of the statements made to us in the conference in Ottawa on Friday last with regard to the provincial legislature dealing the power question, I am transmitting to you for your information. . . . press reports of what different members of the legislature have said.

Therefore I take it that at the conference with the Minister of the Interior it was considered proper by at least some members of the conference that the matter should be considered by the legislature of Manitoba before action was finally taken. That is carrying out precisely the views of my hon. friends from Marquette and Winnipeg South Centre.

There is just one comment I have to make on the famous letter of June 7, and I am not going to refer again to what my hon. friend's action seems to have been, writing so soon after, in fact the next day after he had in-

formed the house, as he did, that there should be no further delay. He says in this letter:

In view of the fact that delay of a month or so will not injure the prospects of this development—

I commend that to the hon. member for Melfort (Mr. McLean). As a matter of fact, the application was then practically one year old and applications for power development of any size—and power developments of any size are the only ones in which we are particularly concerned—do not suffer one bit by waiting over for a session of a legislature or of parliament. Everyone knows there is no enterprise or business undertaking that is so much sought for by certain monied interests as a water-power and its development. As a matter of fact, much higher prices may be realized if there is any delay in granting the lease or the right to develop the power. In any event it cannot be shown in a single instance the any damage would be done in the case of any individual water-power, especially one of great size or potentiality, if the matter had to rest over. A company having a permit and knowing that it had to obtain the approval of parliament, no harm would be done by its having to wait for that length of time.

As a matter of fact, I doubt if there would be any difficulty as regards financing, because once having secured a permit and no great public question being aroused over the matter, people could go so far as to finance the whole proposition on the assumption that the matter would, being altogether honest, straightforward and aboveboard, be ratified at the next session of the legislature or of parliament.

It may be said at this point that there is no provision in the resolution for securing ratification by the provincial legislature, but that would be a mere quibble. We cannot legislate in regard to the provincial assembly; we can legislate in regard to our own action, and when we say by resolution that no alienation of a water-power shall be given until ratified by this parliament, we are by that very act giving time for the provincial assembly to make up its mind and make its deliberations in the case of that water-power and to communicate the result to parliament. I venture to say, that being done, there would never be the slightest suggestion that it would not be sanctioned by parliament after having been passed by the provincial legislature concerned..

There is one feature to which I must refer in connection with the meeting at which this agreement was so hurriedly come to. This was on July 3. The matter about which most discussion arose, about which there was most concern, was what? Natural resources. The natural resources in the House of Commons are under the charge of the Minister of the Interior, and yet that meeting of representatives of the Dominion government and of the government of Manitoba met without the one man present who had the most to do with the whole transaction, and within whose knowledge it was whether or not the natural resources could be disposed of advantageously in any manner that might be suggested.

He did not know anything about it; he did not hear about it until after the whole thing had been done. Is it any wonder that my friends from Manitoba were slightly shocked to hear of the rapidity with which that particular transaction went through? Even after the door was locked, after that particular horse was stolen, they still had the consolation of meeting the minister at Winnipeg, at which meeting they made their protest, not sorry, I should judge in some cases, to find that their protests were all too late.

When that conference met in July, 1928, the ministers of the crown present knew, or if they did not they ought to have known, that there was great public discussion about the granting of a lease to a private corporation for the development of power at the Seven Sisters falls. That was a very important public matter. It was not a matter that was heard of merely round the corner; it was discussed in all the newspapers and formed the main topic of news and editorial writing for a very considerable time. It was a matter of the highest importance to the people of the city of Winnipeg, and yet it had not been heard of, according to the Prime Minister, it was not made a note of in carrying on the discussions and the negotiations, and it was not mentioned when the final agreement was carried through.

We are not discussing, I take it, so much what will happen in regard to this or that water-power. The Minister of Railways (Mr. Dunning) has made his whole attack upon the inconvenience in point of time that would occur because the granting of a lease had to await action by this house. What I take it is the point and the whole point of this discussion is whether or not we have abandoned to the government, to the executive, entirely so that we cannot have it back, the power of dealing with the vast natural resources, not by order in council, but by parliament in free and open discussion. That, it seems to me, is the point at issue here, and not the consideration of any question of mere delay being caused by the adoption of a rule that the

granting of water-powers be ratified by this house. It has been part of the Liberal platform preached constantly and continuously to protest against government by order in council, and it seems to me that in negotiating this bargain the government would have been well advised to have remembered that policy and taken account of it by inserting into this arrangement with the province of Manitoba a provision either for ratification by this house or for opportunity to be given for the legislative assembly of Manitoba to consider the question before the site passed finally into the hands of private parties. It was not so in Alberta. In Alberta an agreement was drawn up which contained this clause: "This agreement is made subject to its being approved by the parliament of Canada and by the legislature of the province of Alberta, and shall take effect on the first day of the calendar month," and so on. If that was good practice in the case of Alberta, why was it not good practice in the case of Manitoba? Why was clause 6 of the Manitoba agreement which had to do with the transfer of the natural resources not made the subject of ratification as well as all the preceding clauses of the agreement which had been arrived at? It was done in the case of Alberta. Why was it not good for Manitoba?

Delay has been complained of. Was the government so anxious over the question of delay in regard to the natural resources of Alberta? Rumored criticism of the constitutional authority of the province under the provincial act of 1905 induced this government, after an agreement had been signed by both parties, to withhold it from submission to the legislature and to parliament, involving the delay of one year, for the purpose of submitting absolutely useless questions to the supreme court of this country. If the government is so anxious to get the natural resources into the hands of the people of the provinces, why was it necessary or advisable, or why did the government think at that time it was fair, to delay the transfer of the natural resources for a year? There was no questions then of delay being disastrous. The question of delay has come up here for the first time and is used simply as a make-weight in opposing this resolution, and not for any sound and valid reason that one can see.

The final argument was made by the Prime Minister. What was it? I read it as I go through my Hansard, and recognize it as the last word that the government has to say against this resolution. Gone from that argument is that lofty preaching of unity that we heard from every platform in this country. Gone from that argument too are the attempts at reasoning which have characterized the speeches of the Prime Minister in this house on that same subject before. In their place what do we find? Nothing but a heated appeal to sectional prejudice, nothing but an attempt to inflame—I will not say deliberate attempt, because perhaps that would not be fair; but something that might very well result in inflaming some sectional prejudice in the west against the east. It is easy to conjure up a spectre of that sort. It is very easy too, I might suggest to my right hon. friend, by suggesting dissension, and by talking dissension and insisting on dissension, in time to give that spectre somewhat of a body and make it somewhat of a menace in disturbing the peace of this country. I am hardly suggesting that the Prime Minister in conjuring up that spectre of dissension has any desire to fashion a tool for use in party politics. It must be that he simply made a mistake. But he should not think the people of the west or of the east are of that calibre that they are afraid to discuss matters, that they want to bury them out of sight, rather than meet them face to face. The men of the west as well as the men of the east can face their difficulties and smooth them over. They do not need to hide them out of sight. They are not afraid to discuss them frankly and freely in the open. Frank and free discussion is the only way in which to get a satisfactory solution of any public question. So we need not be afraid that by bringing up this question we are going to incur in the eastern provinces the enmity of the people in the west. I think better of the west than that. No matter if we in Ontario and Quebec have our natural resources—it would take a long time to explain; the cases are not analagous; there is no parallel between them—I take it that the men in the west, because we back an amendment such as is before the house requiring ratification by parliament before there is any more alienation of the natural resources, are not going to characterize us in the east as enemies to the progress of the west.

But the most serious argument that was made by the Prime Minister was this. The Prime Minister has made a party cry of the alleged Tory majority in the senate. He held in that last speech of his, as an argument against this measure, that by this amendment we are going to make the welfare, so to speak, of the people of the west dependent upon the will of a Tory majority in the senate. I wonder whether, if the Liberals had a majority in the senate, this argument would

disappear. I take it that the argument is an acknowledgment by the Prime Minister that he has no trust in this parliament in connection with these matters. Because perforce a measure emanating from the Department of the Interior, as in this case, has to be brought before this house and so to the senate for ratification, surely it is wrong to say that as a certain party is in control in the senate ratification there would depend on political expediency. We have argued that in regard to all these matters they should be ratified by parliament, and that in the provincial sphere the legislative assembly has the same duty to perform in regard to its part. If we insist upon legislating by order in council we are removing these matters from the control of parliament. I take it the Prime Minister's whole objection on that point, when he refers to the Tory majority in the senate, is to leaving these matters to the judgment of parliament, that he insists on proceeding by order in council and is determined that parliament shall never have a voice in the matter one way or the other.

Are we to be governed by order in council, or are we to proceed in a free parliament by open discussion? That to my mind is the point at issue, and I submit that in regard to these major natural resources, such as water-powers, this parliament would be doing wrong to refuse the amendment. It covers the principle which was enunciated by the hon. leader of the opposition last session somewhat more fully. He had the same object in view as is sought by this amendment, that is, to secure that there be ratification of all these matters by the parliament of Canada, and that the alienation of these major natural resources should not be allowed to depend simply upon the whim of the government operating through one of its departments.

Mr. CAHILL: Would my hon. friend support the resolution if it applied to the water-powers of Ontario?

Mr. GEARY: I certainly would. In further answer to the question, may I say I am very sorry that it has not been obligatory upon the executive of the province of Ontario to refer such matters to the legislature for ratification.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I want to direct the attention of the house for a very few minutes to what has been said with regard to the correspondence which passed between the hon. Minister of the Interior (Mr. Stewart), the government of Manitoba, and the other parties in connection with the transaction under discussion. I feel that perhaps the house has not appreciated the effect of the correspondence quoted by my hon. friend from Winnipeg North Centre (Mr. Woodsworth) between the Minister of the Interior and the Premier of Manitoba prior to February, 1928. There seemed to be a disposition on the part of some hon. members to suggest bad faith on the part of my colleague and I was glad to-night to hear the assurance that the criticism was directed simply to the minister's exercise of judgment. But that does not fit in very well with the construction which was sought to be placed on some of the correspondence. A telegram of February 6, 1928, was read which had been sent by my friend the minister intimating that the Winnipeg Electric Company had not made any further request. In order to contradict that statement or to make it appear that it was not true certain letters were quoted, one of August 7, 1927—this was a wrong date; I think the hon. member will find the correct date was August 23, and two others of October 28 and November 18, 1927. The three letters referred to were not in any way contradictory of what had been said by the Minister of the Interior; they simply followed the original application of the Winnipeg Electric Company, the letter of August 23, 1927, gave the name of the company to whom it was desired the license should be given if any was to be issued. The letter of October 28 simply suggested that the status quo be preserved, and that applications for homestead rights had better be reserved. For what? Not for the Winnipeg Electric, but, as the letter itself shows, for the development of water-powers. Exactly the same sort of suggestion appears in the letter of November 18, 1927, in which it is proposed that it would perhaps be as well not to have settlers put improvements on the land, in view of the fact that applications for power leases were outstanding.

Now, what applications were outstanding at that time? Not simply the application of the Winnipeg Electric but the application as well of the province of Manitoba. All these letters amounted to were simply suggestions by one of the applicants that the land be so maintained that water-power leases could be granted if the government so decided. Very different altogether from the suggestion that my hon. friend the minister was in some way or other endeavouring to mislead those with whom he was communicating by stating that the company was not "urging" the lease. What was proposed was, I think, a perfectly proper and logical and natural thing for any applicant to suggest. I will not detain the

house by quoting the letters in full. I repeat that they refer to water-powers, not to the Seven Sisters falls, and not to the application of any particular company.

Now, let me refer to the other matter which has been dealt with at great length with regard to my hon. friend the Minister of the Interior. He made statements to the house on June 6, 1928. I am afraid hon. members have perhaps not appreciated exactly the order in which those statements were made, or their contents. There has been repeatedly quoted a statement by the hon. minister in reply to a question addressed to him by the hon. leader of the opposition, in which he said:

I may assure my hon. friend that until that difference of opinion is settled I am not going to issue any license for that water-power. I think I may assure my hon. friend of that.

But that was not the final statement. Following that, as the records shows, was a long speech by my hon. friend the leader of the opposition (Mr. Bennett), and then the Minister of the Interior replies to him in these words:

I am going to say very frankly here and now that notwithstanding the fact that at present the government have adopted a line of action with respect to the Seven Sisters falls I am not in any particular hurry to come to any decision about that matter, largely because of the fact that the members of this house have expressed very decided opinions about the matter as federal members. I am not very much disturbed by the statement that there must be immediate action; I have investigated the matter pretty well and I think there is plenty of time to give ample consideration to this matter before it is decided. In order to settle the question, and in order to prevent any delay, I do not see any reason why we should not await the action of the city council of Winnipeg and of the provincial government, which must take the responsibility, before a final decision is made here. I think that should satisfy my hon. friend.

Now, that is the understanding arrived at, that my hon. friend would await the action of the city of Winnipeg and the provincial government, and would consult the federal members from the province. My hon. friend from Nelson (Mr. Bird) understood that, as has already been pointed out by the Minister of the Interior this afternoon. The hon. member for Nelson was quite frank in his statement to the house. He said:

It may be against my disposition to cast unjustifiable reflections upon the government, or upon the Minister of the Interior, and I do not go as far as the hon. member for Winnipeg North Centre (Mr. Woodsworth) went. The Minister of the Interior did say to us quite plainly, before we left for home last session, that he could not hold up this matter until the Manitoba legislature met; he was very frank about that. But if I did not misunderstand him, and there is always the possibility that I might have—I can confirm what I am saying by my own diary, and his words in the house seem to confirm it—he said that before anything was done the members for Manitoba would be consulted.

[Mr. Ralston.]

That is what my hon. friend himself understood. And what does the minister do? I ask hon. members to consider this in all fairness, because some caustic criticism has been made of the Minister of the Interior. The minister waits for over three months, instead of a month or a month and a half; he goes to Winnipeg twice and consults members there. True, he did not consult all the members; I understand that, and the minister has been quite frank about it. But he did consult the majority of the members there, and the whole resources question intervenes; it comes up about a month after the statement was made in the house. A very different situation presents itself to him. The government had arrived at an agreement to transfer the whole of the natural resources to the province of Manitoba subject to certain stipulations, and provided the house ratified it and in the meantime they consented to dealing with its natural resources according to the wishes of Manitoba under the powers which the statutes conferred on the executive. Let me right here refer to what has been said by the hon. member for South Toronto (Mr. Geary). That hon. gentleman has talked about the alienation of natural resources otherwise than by parliament. I would ask the house to bear this in mind, that we are discussing a power which has been exercised under the Dominion Water Powers Act for a good many years. The governor in council is authorized under that act to grant licenses. I quite understand that there is no authorization to transfer them absolutely. And that, it seems to me, is the distinction which is to be made in connection with the argument which is being advanced on the other side of the house. There is a difference between administrative action and legislative action. Administrative action is taken every day. The Minister of Public Works, after a vote is passed here, has to do, let us say, with the construction of a building; if something goes wrong there you do not take away the power of the minister to construct that building and confine that power to parliament. You censure him if censure is justified, and you may have him dismiss someone if there is someone in the department who is not acting properly. But that does not give you any justification to come here and say, "We are going to remove from the minister the administrative power and vest it in the

legislative body." Under the Dominion Water Powers Act the government has to-day—as I know the province of Nova Scotia and the province of British Columbia have, and as I think the province of Ontario and the province of Quebec also have—the right to grant licenses of water-powers; and these licenses are being granted every day as an executive act. My hon. friend speaks of a change of policy in connection with paragraph 6 of the agreement, which indicated that this government was going to follow the wishes of Manitoba, and he suggests that this ought to have been made a matter of legislation. But the legislation was on the statute book. This government had the power, under the Water Powers Act, to do all that was done in this case, namely, to grant the license to the Winnipeg Electric Company or to Manitoba as the case might be. And that was all that this government did. It did not need further administrative power at all; it had it. It needed legislative power if there was to be an absolute transfer of natural resources. Take the province of Nova Scotia, for instance: every day the Minister of Mines grants licenses on mineral areas. That is administrative, and such action the government can take. If, on the other hand, he proposes to transfer the whole of the minerals of the province, that is to say, to transfer the absolute fee simple, in that case legislation is required. And such legislation was provided for in the agreement between Manitoba and this government. We must, I say, carefully distinguish between legislative power and the administrative power, the administrative function vested in the Dominion government and in every local government in Canada, and that power it is now proposed to take away from this federal government by the resolution now before the house. We are losing sight of this distinction, and it would contravene the very spirit of the working out of our constitution if we decided to make this legislative body an administrative body.

My hon. friends have been most severe in their criticism, but they do not charge the minister with being dishonest and I do not think they should assume that a government will exercise the powers vested in it dishonestly. But it is suggested that because this transaction has taken place—a transaction which is quite within the powers of the executive—the remedy should be to remove entirely the power which is properly vested in those by whom it should be exercised. That is not a logical suggestion; it is not workable; it is not a practical suggestion. I do not think it is a suggestion which will commend itself to the judgment of the house.

Many times the terms monopolies and corporations and trusts and capitalists have been used in the debate, and it seems to me that it is these terms which have influenced at least some hon. members more than anything else in connection with the transaction. If this lease had been made to the government of Manitoba, that would have been all right; but because the licensee happens to be called a "company", with "limited" added thereto, that makes it all wrong. I submit—and I do not think one needs to make very much of an argument about it—that if the transfer to the licensee is made at the request of a public body, in this case the government of Manitoba, the province of Manitoba, the principle of public ownership is just as much respected as if the transfer had been made to the premier of Manitoba, or the Minister of Public Works or the Attorney General.

I do not think there has yet been read the statement with regard to the proposal of this government to transfer this lease to the province of Manitoba. The statement is contained in a letter of August 18, 1928, to Mr. Bracken. It reads:

Dear Mr. Bracken,

After discussing with my colleagues the applications made for the right to develop the Seven Sisters power site on the Winnipeg river, we have decided to offer the Manitoba government the right to develop this power site. It is to be understood, however, that the lease will be in accordance with the provisions of the Dominion water-power regulations governing the leasing of power sites.

We will prepare an interim license at once if this meets with the approval of your government.

Yours sincerely,

Charles Stewart,
Minister of the Interior.

The federal government is there proposing to transfer, not to the Winnipeg Electric but to the government of Manitoba itself, this power site. And what is the reply? It is contained in a letter from Premier Bracken dated August 21, 1928, addressed to the Hon. Charles Stewart. It reads:

Dear Mr. Stewart,

I have your letter of the 18th instant, in which you advise that after consultation with your colleagues you had decided to offer the government of Manitoba the right to develop Seven Sisters power site, in accordance with the regulations of the Water Powers branch.

I beg most respectfully to point out that no matter how willing our government might be to accept this offer, it has no legal authority to do so. Might I also point out that the policy of this government under the circumstances now obtaining, as you know, is not to develop this site itself but to permit it to be developed by the company which now controls in perpetuity nearly one half of the water in this section of the Winnipeg river. This policy was arrived at after having obtained opinions

and recommendations from the Dominion Water Powers branch and advice from expert hydro-electric engineers both in your department and outside.

The minister has mentioned two electrical engineers, Doctor Hogg and Mr. Gaby.

Mr. STEWART (Edmonton): That might be misunderstood. I merely mentioned Mr. Gaby as an engineer in whom I had complete confidence and who was an associate of Doctor Hogg; but he was not employed on that work.

Mr. RALSTON: Then I am corrected as regards Mr. Gaby. The letter proceeds:

In accordance with that policy, the government negotiated a contract with the Winnipeg Electric Company and the North Western Power Company. We were successful in obtaining terms which would make for the complete realization of the plans and policies for which your Water Powers branch has been contending for several years. The contract provides for the abandonment of the Pinawa development and the closing of the channel, and for the single development of the maximum power possibilities of the Winnipeg river at the Seven Sisters site. It also assures the province of an adequate supply of power sufficient to meet the needs of the provincial hydro system and of rural Manitoba for the next thirty years, at a very low price.

By this contract the perpetual right of the company to the Pinawa flow will be extinguished and the acquisition of the Seven Sisters development by the province at the end of thirty years made possible.

We should have preferred undertaking the development ourselves but for the fact that under the circumstances existing it would have been an unsound financial proposition and would have prejudiced the principle of public ownership. The arrangement entered into makes possible immediate development under conditions where rates can be controlled, the interests of the public adequately protected, and the development taken over at the end of thirty years under conditions much more likely to make possible successful operation as a publicly owned enterprise, without our having to expropriate or to pay for the present Pinawa plant or the perpetual rights now held by the company.

These are the reasons why it was not granted to the government of Manitoba direct. But, Mr. Speaker, I contend that the government can be taken prima facie to represent the people of Manitoba. My hon. friend from Vancouver North (Mr. McRae) spoke this afternoon about what had been done in the country to the south, where power developments were kept for the people, as he said. I do not know who better represents the people of a province than the government elected by that province; I believe this provincial government was elected in 1927 and received a vote of confidence in a by-election in 1928. This Manitoba government, by

[Mr. Ralston.]

order in council which I think has been read, definitely requested the government of the Dominion to issue this license to the Winnipeg Electric Company. Let me read just a paragraph:

And whereas the said interim license was prepared by the water powers branch of the Dominion government in accordance with the request of the provincial government;

And whereas before executing said interim license the government of Canada desires to have same approved of by the government of Manitoba;

And whereas it appears expedient for the government of Manitoba to approve of said interim license;

On the recommendation of the honourable the minister, the committee advise—

That said interim license be and it is hereby approved and that the Minister of the Interior be requested to execute the same.

I do not know of any transaction which could be more within the statute than that, and I cannot understand why that transaction should be invoked in an endeavour to support the resolution now before this house proposing to take out of the hands of the government the right to execute licenses under the Dominion Water Powers Act. It has been suggested already what would be the situation in Alberta and Saskatchewan, and I only want to suggest what would be the situation in Nova Scotia, where for years the executive had the right to issue licenses for water-powers and for crown lands and where there never has been a suggestion that the legislature should pass on each individual act in that respect. As I said a moment ago, the only time the legislature would be called upon to act would be in case of the transfer of the fee simple, the title to the natural resources.

Just one further word: It seems to me that we have lost sight of the fact that some days ago this house adopted a resolution moved by the hon. member for Frontenac-Addington (Mr. Edwards) and seconded by the hon. member for Rosetown (Mr. Evans) stating:

That, in the opinion of this house, in the best interests of confederation, and the economic development of western Canada, the provinces of Manitoba, Saskatchewan and Alberta should be granted their natural resources—

What we are doing here, and what has been done, is to endeavour to expedite that transfer as far as could be done under the statute as it stood. What has been done is this: It has been agreed by this House of Commons that it is now our policy to transfer to the western provinces their natural resources. In July of last year this government, believing this policy would be adopted by the House of Commons, entered into an agreement which it expected would be ratified by this house,

and I take it that that agreement has been ratified through the adoption of this resolution. In connection with that agreement it was not proposed to wait until actual legislation was passed when the government had already the power in connection with an individual case to grant a license, but to exercise that power according to the wishes of the province for which the federal government from that time on held the property; and so the license was granted to the province of Manitoba pursuant to that arrangement, in the spirit of the resolution which was adopted by this house, in an attempt in good faith to grant to the province of Manitoba those natural resources which everyone agrees should go back to them.

With regard to the contract itself, very little attempt has been made to criticize it in any way, and really one finds it difficult to understand just why we have taken so long in this debate in view of that fact, because after all the merits of the contract itself should have something to do with this question. If it could be shown that the government had made an absolutely wretched contract, one which could not be defended, there might be some ground for taking some action in this house, but hardly a voice has been raised to suggest that the contract has been anything but proper and good for the province of Manitoba. By that contract the Pinawa development was to be discontinued and 50,000 extra horse-power has been reclaimed and made available to the power users of Manitoba; by the contract 30,000 horse-power will be supplied the province at a rate of between $11 and $13 per horse-power, and under the contract the rates are made subject to the provincial public utilities board, so there is no danger that the people of that province will have to pay too much for power. Let me read section 14 of the contract:

> Subject to designation for that purpose by the Governor in Council as required by paragraph (m) of section 12 of the act, the rates to be charged by the licensee for the power developed under this interim license shall be subject to and under the jurisdiction of the Municipal and Public Utility Board of the province of Manitoba, or its successor, and the said board shall have complete jurisdiction from time to time to fix just and reasonable rates to be charged by the said licensee determined in accordance with the provisions of the regulations.

Further than that, the following provision is made for taking over by the government of Manitoba itself:

> Subject to the approval of the governor in council after notice of taking over has been given, His Majesty in the right of the province of Manitoba shall have the right to take over the final license at Seven Sisters falls, together with all rights, powers, privileges, benefits and advantages in connection therewith, and all the works, lands and properties of the licensee at said Seven Sisters falls used by said licensee for the production of electrical energy thereat, in accordance with the conditions set out in section 11 of the said agreement of April 25, 1928.

I will just place before the house one other provision of the agreement which seems to me rather important. As I said a moment ago, this agreement was made with the idea in view that the natural resources were to be returned to the province of Manitoba. That means that the reversion in this license would eventually be transferred to the province of Manitoba as soon as authority was granted by this parliament; in other words the province of Manitoba would become the landlord, the person granting the license, and the body owning the fee simple. Paragraph (i) of section 10 is as follows:

> Notwithstanding any provisions of the regulations or of this license there shall upon the return of the natural resources to the province of Manitoba be paid by the licensee to the province of Manitoba for such provincial hydro-electric or other purposes as the lieutenant-governor in council of the province of Manitoba may determine such additional annual rentals per horse-power as the lieutenant-governor in council may determine by any general water-power regulations.

In other words, when the natural resources are actually handed over to the province of Manitoba and the province becomes the licensor to this company, because of the fact that it will take the place of the federal government, then under this section the province of Manitoba is entitled to impose upon the company such additional rentals as the lieutenant-governor in council of that province may see fit. That means that the company is under the control of the province in connection with the rates to be paid for power. The rates of the company are to be regulated by the public utilities commission of the province, and in addition to that the amount the company is to pay for rentals to be fixed by the lieutenant governor in council. It seems to me that should pretty well protect the public interest; and when we have the added fact that this license was granted on the request of the province of Manitoba itself it seems to me that we have to all intents and purposes public control and public ownership in just as full and free a sense as if the license had been granted to the province of Manitoba itself.

May I just say one thing more, and it is not in connection with the lease which is the subject of this debate. It arises from what was said by the hon. member for Frontenac-

Addington, who, in a very whimsical speech, put forth his ideas with regard to the constitutional question as to natural resources. I do not wish to raise a legal discussion in the house at this late hour, but I must say that I cannot, either as a member of this house or as a professional man, agree with the legal opinion expressed by the hon. member for Frontenac-Addington. I hardly think he will find that the western provinces themselves will rely upon the argument he put forward.

Mr. GOTT: He did not give it as a legal opinion.

Mr. RALSTON: Nearly all the sections of the British North America Act, the Alberta Act and the Manitoba Act were cited, and the hon. member was setting himself up, for the time being at least, as the chief justice of the court on constitutional principles. I do not think the western provinces will associate themselves with the contention he made, which was to this effect: It is true that when we came into confederation we got a certain payment in lieu of lands, but we now find that you had no right constitutionally and technically to withhold our lands; therefore we suggest that we should have the money in lieu of lands and the lands too. That was the argument of the hon. member for Frontenac-Addington, and I only desire to go on record as stating that I cannot agree with any such contention. The real contention is rather that this matter should be considered on broad and equitable principles and the natural resources handed over to the western provinces on that ground and not in this narrow and to say the least highly technical argument. If I am correctly informed, that is the position which is being taken by the province of Manitoba in connection with the hearing which is going on before the commission.

I submit, Mr. Speaker, that neither the resolution nor the amendment to the resolution should be supported. I believe they lay down a principle which has never before been laid down in connection with the administration of public property. It has always been considered the responsibility of the executive to look after these matters, and the remedy is not that of taking away from the executive the power which is vested in them in the usual course of constitutional practice.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I have been drawn into this argument more by accident than by design. I chanced to make a remark during the course of the speech of the Minister of Railways (Mr. Dunning), and immediately the Minister of the Interior (Mr. Stewart) took very decided and I thought rather strenuous objection to my remark. Therefore, I feel called upon to make clear to the house the understanding upon which that remark was made.

Before doing so, let me be careful to say that so far as I am concerned I have not been very much interested in the fight which has been going on between certain members of the house and the Minister of the Interior. I do not understand the exact situation in Manitoba and I do not care to offer any comment on the misunderstandings which have developed in connection with the Seven Sisters falls in that province. It would appear to me that no matter how much the Minister of the Interior may or may not be involved in the matter, the government of Manitoba must accept whatever blame may befall in this connection. But when it comes to the amendment which is before the house there is a principle involved which I most heartily endorse, and I intended to vote for the amendment without any speech at all. However, the objection of the minister, to which I have already referred, makes it necessary for me to offer an explanation.

During the Prime Minister's speech on this question I understood him to say that it was the policy of this government to treat the provinces which had not yet obtained their natural resources as if they had always had them. That was his statement as I understood it, but when the Minister of Railways (Mr. Dunning) was speaking he not only made some extravagant claims for the application of the resolution to the natural resources in other provinces, but he made the statement that the Minister of the Interior had been treating all provincial governments alike in respect to their water-powers and natural resources. I took exception to that because I knew for a fact that the government of Alberta had been endeavouring for a considerable time to get control of the Spray lakes power site. The position of the Minister of the Interior in respect to Spray lakes has been this:—if I am mistaken he will correct me—he refuses to give a lease of that power site to the Alberta government unless they will assure this government that they intend to operate that plant as a government undertaking. That is the understanding I have, and if the minister denies it of course I shall have to withdraw the remark I made.

Mr. STEWART (Edmonton): If that is all the hon. member intends to say, I will do it at once.

Mr. IRVINE: That is only half of what I intend to say. That is right so far?

Mr. STEWART (Edmonton): All right.

Mr. IRVINE: When we come to the province of Manitoba the minister says, "I must give a license to that province because they desire that I should do so even though it is proposed to give the power site to a private company." Is that the same treatment he gave to the province of Alberta?

Mr. STEWART (Edmonton): Is the hon. member basing his argument on the fact that my refusal to consider the granting of a lease to the province of Alberta was on the ground that they must develop that site themselves?

Mr. IRVINE: That is my understanding.

Mr. STEWART (Edmonton): That objection has been withdrawn for some considerable time. Spray lakes are within the park boundary at the present time, but we propose to exclude them if we can agree with the province. Before the province of Alberta were here on their last visit to discuss natural resources I told them that I had withdrawn the objection to their subletting that site. The situation at the present time is that we must be guaranteed 350 cubic feet of water in the Spray river during the three months of the tourist season, and they must undertake to construct a tunnel to convey the water from the storage basin to their power plant. I may also say that no other application will be considered until the province of Alberta decide that they do not want to embark on this enterprise.

Mr. IRVINE: I am glad to have this explanation from the minister, but he must recognize that the conditions he has submitted to the government of Alberta are impossible ones. I will not go into the details of that because it would require more engineering knowledge than I have at my command at the moment. Until very recently I had not seen any published statement from the minister or from the Alberta government that the conditions under which this power site might be taken over by the government had been altered by the minister. I take his word, but prior to a short time ago it is clear that he had not been treating those two provinces in precisely the same way. Those were the grounds upon which I put the query to the Minister of Railways.

Let me come now to the amendment as it may affect the Spray lakes. Supposing, say ten years from now, there is still a squabble between the provincial government and the Dominion government as to whether a certain number of cubic feet or something else shall be guaranteed or not in the Spray lakes proposition. Some kind of squabble has taken place and lasted, and the result is that the provincial government has not control. I am just afraid that something similar might happen to that power site to what has happened in the case of the Seven Sisters falls in Manitoba. True, the minister says to parliament now that he will guarantee that nothing shall be disposed of without the wish of the province of Alberta. I do not want to insinuate anything, but that was pretty much what I understood him to say last year and it might happen that an excuse could be developed. I am not saying that the minister needs an excuse but if he needs one he has made a very excellent excuse, I must say. It might happen subsequently that conditions would render it possible for the minister to make the same disposition of Spray lakes as has happened in Manitoba. Therefore, in order to prevent that kind of thing, since this power plant is in the national parks, the amendment has great point and force.

Mr. STEWART (Edmonton): If the province of Alberta desires to develop that site, it will certainly get it; and supposing Alberta said to give it to someone else, I would be in the same position, but the matter would be in the hands of Alberta, not in mine.

Mr. IRVINE: At the present time the disposal of this power site is, as I understand the matter, in the hands of the minister, and while I have a considerable amount of respect for the minister, nevertheless I would like to get the assurance of parliament that this site and others in a similar position would not be given away by a minister without at least a discussion in parliament in respect thereto.

I listened a few minutes ago to the hair-splitting legal distinctions of the Minister of National Defence (Mr. Ralston). I think I was able to follow his argument, and I think, too, it was only occasionally he came within range of the subject. He says that the disposition of water-power is a matter of administration; that being a matter of administration, it should not be interfered with by any limiting resolution of the character of the one now before the house. He says furthermore that, it being a matter of administration, why, we can come back to parliament and have a row with the minister as we are having now, that we can come back to parliament and we can lay all kinds of charges against the minister. That is rather a peculiar kind of argument. Just imagine

forty years from now when our children are paying a very high price for electric energy, they will turn up Hansard and as a consolation for having to pay that high price, read what the minister says! Can you imagine them saying: Never mind; pay the high price; they had a row with the minister over making that contract? Is that a good argument? That, however, is precisely the meaning of the minister's argument. It is all very well to come here and make insinuations to a minister after he has done the deed, if he has done it, having of course, no reference at all to the present minister. That may be a great satisfaction for an individual on the floor of parliament in 1929 but it is a rather poor argument for those who, forty years from now, will have to pay a high price for power under the control of a private company. That is what we are trying to safeguard.

Then the Minister of National Defence comes to the last extremity of his defence—and only a minister of defence could think of such an argument. He says: "Mr. Speaker and hon. members of the house, surely something ought to be said for the contract; surely if it is a good contract, that ought to excuse the minister and the government of Manitoba and anybody else for anything that might have happened. Suppose somebody steals the watch from the pocket of the minister tonight when he is going home. Of course I do not say that the word "stealing" is applicable to the Seven Sisters; there is no reference to such a thing. But suppose to-morrow morning the gentleman who steals the watch of the hon. gentleman turns out to be a fine looking fellow and so we bring him into court and we say: "Now, don't be too hard on this gentleman; see how good looking he is, a fine stalwart fellow with a bald head and a mustache; a man who can hold his head up anywhere." Is that an excuse for his stealing the watch? His good looks has just as much to do with his stealing the watch as the minister's argument has to do with the question before the house or as the contract of the Winnipeg Electric has to do with the charges against the Minister of the Interior. No matter how good the contract was, it went to a private company and those who have been fighting for a principle, who believe in public development, think they have made a claim that the minister in some way or another broke faith with them. As to that I have no remarks to make, but I would say that the minister's ingenious argument did not have much to do with the amendment before the house.

Finally, I think the Prime Minister's argument was a strange one from our own Prime Minister who has been on the public platform the champion of parliamentary institutions to a more outstanding degree than any other public man I can remember in the history of Canada. I was reading just to-day the bible of the Liberal party. I do not know sir, whether you have seen it, but it is a real bible with the bust of the Prime Minister on the front page and a really biblical quotation from a great Liberal somewhere across the Atlantic. In that bible there are some very definite pronouncements in respect to the power of parliament and there are some very specific references to the orders in council which were passed by the administration prior to the present one. The whole righteous indignation of a great Liberal party which has fought for the liberties of the Canadian people throughout our history was aroused to the very highest pitch in denouncing that kind of thing and promising to the people of Canada that if ever a Liberal party should come into power, all those rights and privileges of the people would be safeguarded by upholding parliamentary institutions and giving parliament the rights which belong to it properly in considering every question which concerns the interests of the people. That is a splendid principle. I am sure the Prime Minister still believes in that principle, but his argument does not fit in. I should say that his speech on this question indicated a profound disbelief in parliamentary institution. I hope he has not had a change of mind; I hope I am misinterpreting him on the question, because I think it would be nothing short of a calamity were the Prime Minister so soon to have lost the ideals which no doubt went a long way towards giving him the confidence of the people which he now enjoys. The parliament of Canada, if this confidence is to be restored, must deal with matters so important to the welfare of the people as water-power.

Referring again to the administration argument of the Minister of National Defence, when those powers were granted by parliament who then thought of the importance of a river from a power point of view? Who then thought of the importance of electrical energy in the industrial development of the world? Nobody. Since that time electrical energy has become the greatest industrial motive force that we have, and consequently we might very properly make an exception in the administration of this particular natural resource. That is all that the amendment proposes. It makes a specific exception of water-powers because of their importance, and insists that before any water-power within the control of this government be given to any private company,

parliament shall decide upon the question. That principle I uphold, and I shall therefore be glad to vote for the amendment.

Mr. L. P. BANCROFT (Selkirk): At this late hour I shall not delay the house at any great length, but there are a few remarks that I shou'd like to make in opposition to the resolution and the amendment now before the house. The resolution reads:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

The amendment strikes out the words "natural resources," and substitutes therefor the words "water-powers."

In my judgment both the resolution and the amendment are aimed at the natural resources and water-powers of the three prairie provinces. I shall speak more particularly of the province of Manitoba.

The water-powers of Manitoba are very, very valuable. The Winnipeg and Nelson rivers are the chief sources of the water-powers of Manitoba. Winnipeg river drains lac Seul and the lake of the Woods into lake Winnipeg. This great river, falling over the rocky slopes on the western end of the Laurentians, creates a great amount of water-power, about three-quarters of a million horse-power.

The Nelson river, which flows from lake Winnipeg into Hudson bay, is four hundred miles long, and falls seven hundred feet in its course. This river is capable of producing somewhere around three and a half million horse-power. The people of Manitoba are very proud of these natural resources. They feel that these water-powers are their own property, that they belong to the people of Manitoba, and that no one else is directly concerned in their development or disposal.

The water-powers of Ontario have been developed or disposed of by the government of that province, representing the people of Ontario. The water-powers of Quebec have been developed or disposed of by the government of that province, representing the people of Quebec. Both these provinces have seen fit to develop and dispose of their water-powers without consulting the federal parliament. They never thought of consulting the Canadian senate. Yet if this resolution and amendment carry to-night, the people of Manitoba cannot develop their water-powers without first coming and consulting the federal members in this house from Ontario and Quebec, from the island of Cape Breton and from the Yukon, and if they succeed in convincing the majority of these members that their plans are good, next they have to run the gauntlet of the Canadian senate before they can proceed to develop what they believe to be their own water-powers. I cannot understand how any member from Manitoba, and this applies to the members from the other prairie provinces as well, can vote for a resolution which places the people of the province of Manitoba in an inferior position, as compared with the older provinces, in the matter of developing their natural resources. Surely the rights of the people of Manitoba are not less than the rights of the people of the older provinces. If they are, it is high time we knew about it.

Not much more than a week ago the house unanimously passed a resolution moved by the hon. member for Frontenac-Addington (Mr. Edwards) declaring, in effect, that in the best interests of confederation, and the economic development of western Canada, the three western provinces should be granted their natural resources free from restrictions. My hon. friend from Winnipeg North Centre (Mr. Woodsworth) supported that resolution, and in view of his action then I cannot understand how he can now move a resolution which places a restriction upon the return of the natural resources to the prairie provinces. The whole house approved of the return to the provinces of those resources. The hon. member for South Wellington (Mr. Guthrie), the acting leader of the opposition, who moved the amendment now before the house, supported the resolution of the hon. member for Frontenac-Addington, and yet his amendment would place a very serious restriction upon the development of the natural resources of the western provinces.

Mr. CAMPBELL: I should just like to remind the hon. member that the resolution to which he refers has not yet been acted upon by this government.

Mr. BANCROFT: I did not say anything about the action of this government. I do not know anything about the action of the government on this resolution. I said that the resolution had been accepted unanimously by the house.

Mr. CAMPBELL: But until it is acted on by the government, this parliament is responsible for the natural resources.

Mr. CANNON: How can you expect a government to act within two days?

Mr. BANCROFT: The resolution moved by the hon. member for Frontenac-Addington declared that the natural resources of the western provinces should be returned to them without any strings attached, but if the resolution and the amendment now before the house passes, the resources of the western provinces

will not only have strings attached to them but they will be "roped and hog tied" by the other provinces. The amendment now before the house represents the Conservative policy on the question of the natural resources. Provincial rights are to be over-ridden, restrictions and limitations are to be imposed upon the prairie provinces. The development of the natural resources is to be subject to the whims of this house and of the senate.

The policy of this government with respect to the natural resources was clearly stated by the right hon. the Prime Minister (Mr. Mackenzie King) on Thursday night. Speaking on this resolution the right hon. the Prime Minister said:

> Water-power to-day is coming to have a significance in industrial development which it has never had heretofore in the history of this country. The people of western Canada, appreciating that fact and realizing what it means to have possession of their water-powers, are anxious to have those water-powers under their own control to further in the manner they think best the industrial development of their provinces.

A little later on in the same speech he outlines the government's policy:

> This government took the position that the right thing to do was to say that we believed the western provinces should be put as nearly as possible in exactly the position they would have been in had they had their resources from the moment they were created as provinces. That is the position we have taken in this new agreement; it admits of no debate or doubt, and having taken that position we intend to stand by it. We intend to see that the western provinces obtain their natural resources on a basis which will put them, so far as may now be possible, in the position they would have been in had they had the administration of their natural resources from the time they were created as provinces, and that means the right for their government and legislatures, not our parliament to decide what is to be done.

There can be no doubt which of these policies will appeal to the western provinces.

During the discussion of this resolution the Minister of the Interior has been severely criticized for his action with regard to the lease of the Seven Sisters falls power site. Some hon. members have said that after the Manitoba federal members had decided by a vote of ten to four against the granting of the lease to the Winnipeg Electric Company, the minister went ahead with the deal. I might remind some of my hon. friends from the province that in a case like this it is just as well to be fair. There are seventeen members from Manitoba; ten and four do not make seventeen. The fact is that of the Manitoba members ten were opposed to, and seven were in favour of, the granting of the lease. This afternoon the minister expressed a preference for the views of those members from the province who were supporting the government. Well, fourteen of them are behind the government. Of these fourteen, seven were in favour of, and seven opposed to, the lease. So I submit he could not get very much guidance from them in view of that difference of opinion.

Mr. HEAPS: If my hon. friend will permit a question, does he think party considerations should govern the minister's decision in matters of this character, rather than national considerations?

Mr. BANCROFT: As I understand it, the Minister of the Interior consulted the Manitoba members, and then ascertained the views of the provincial government. The provincial government is the only body that is directly responsible to the people of Manitoba. Having done so, he acted on the advice of the Manitoba government. It has been stated that the minister did not consult the Manitoba members. I was one of those consulted by him in that connection. To my knowledge he consulted eight of the Manitoba members. We agreed, that, owing to the natural resources agreement our responsibility in the matter had ceased. Some four or five others he did not need to consult for he knew they were in favour of the lease.

It has been stated that the Bracken government has got into difficulties over the granting of the lease to the Winnipeg Electric Company, and will probably be defeated. I travelled extensively through Manitoba during last fall, I met many people and I attended a number of farmers' conventions. As a result I am of the opinion—I may be wrong—that a large majority of the people of Manitoba are in favour of the present agreement. I believe it will be ratified by the legislature. In my judgment, if the Bracken government had been defeated during the turmoil of the last two weeks, the government that succeeded it, regardless of party, would have put through the same deal.

The amendment and the resolution in my judgment would put the people of the western provinces in an inferior position as compared with their fellow-citizens in the other provinces in the development of their natural resources, and for that reason, Mr. Speaker, I intend to vote against both.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, like the hon. member for Wetaskiwin (Mr. Irvine) I had no intention of participating in this debate until quite recently. Some remarks from the other side of the house caused me to change my mind.

I realize that in so far as this is a domestic question in Manitoba there would be impropriety in discussing it in this house. I intend to discuss the question only from the federal viewpoint. As to whether or not the Bracken government committed sins of omission or sins of commission, that I realize is for the people of Manitoba to decide, and not for me as a member from the province of Saskatchewan. But, sir, those resources are still under the control of the federal government. It is not a question whether the province of Manitoba should control them or not. We are dealing with facts, not theories. I repeat, this government does control those resources, and the very agreement that has been the subject of so much discussion here was made between the federal government and the Winnipeg Electric Company or its subsidiary; the government of Manitoba really did not figure directly in the deal at all. Therefore I submit we are within our rights in discussing this matter from the federal standpoint.

I listened with a good deal of interest the other night to the speech of the Prime Minister (Mr. Mackenzie King) and I congratulate him on coming out as the chief protagonist in this house of provincial rights. I rather welcome his stand. But I recognize that while appearing in this role, conversely he was attempting to put those of us who are supporting the resolution and the amendment in the position of being opposed to provincial rights. Well, in so far as I am concerned, I am quite ready to be judged by the people of the prairie provinces. I am perfectly confident that the people of the three prairie provinces will not regard us as being opposed to provincial rights.

The Prime Minister argued rather speciously that if this amendment carried and agreements of this character had to be submitted to parliament they would have to pass a Tory senate. Of course that argument might have a good deal of effect in some quarters. I recall when not so many years ago the Prime Minister toured western Canada and made the welkin ring as he denounced that same Tory senate, and his indignation was so intense that he pledged himself on platform after platform at the then coming session of parliament to introduce legislation to reform the senate. But that happened many years ago, and the Prime Minister apparently has forgotten all about his promise. Let me tell him now that should there be any danger of the senate interfering as he suggests, if he will only carry out his promise to reform that branch of parliament he will relieve us of any occasion to worry about what a Tory senate may or may not do.

I do not consider that submitting any agreement to parliament for ratification is an infringement of provincial rights. It is an absolutely absurd suggestion, so absurd that it does not deserve attention. Surely the submission of any proposed alienation of these resources to parliament for ratification cannot by any stretch of imagination be considered an infringement of provincial rights. Suppose the government has decided to grant any of these natural resources to some company or to the provincial authorities, as the case may be, the government is in control of this house by reason of its majority, and therefore there is no reason why it should not submit its proposal to parliament for ratification. It could be done in this way just as well as by order in council.

One particular reason why I am in favour of the resolution and amendment is that their adoption would relieve the public mind of suspicion. There is no use denying the fact that from one end of the country to the other there is deep-rooted suspicion that there was something wrong with the Seven Sisters power site deal, that there was some ulterior motive behind the rather indecent haste both in Winnipeg and in Ottawa to alienate this very valuable water-power. I am not one of those who share these suspicions. I do not believe for a moment that there was anything wrong or dishonest in the transaction, either here at Ottawa or in the province of Manitoba. But I say that there are tens of thousands, hundreds of thousands of people who will always believe that. If this agreement had been submitted to the legislature of Manitoba and submitted to parliament here, then the public mind would have been relieved, and it would have added to the dignity and prestige of parliament, which I must say has been impaired by this deal.

When the Prime Minister referred to the question of interference with provincial rights, I wondered whether he remembered the fact that it was only a few days ago that his associate, the Premier of Saskatchewan, had to break off negotiations with him and go home without those resources. The Minister of Railways (Mr. Dunning) made a great deal of the argument that the delay would hinder industrial development in the prairie provinces. I am just as anxious as he is to see a proper balance of industry in the prairies. I believe that the great industrial development which we shall see there in the next quarter of a century will relieve us of some of the troubles we have to bear at the present time and will bring about a better balance and create a home market. I am therefore just

as anxious as any member in this house to see industrial development in the prairies. At the same time I think it is absurd to suggest that the submission of these agreements to parliament, so long as the federal government controls them, would seriously delay industrial development. Let me say, sir, that the basis of industrial development in the prairies as well as in other parts of Canada is cheap power, and if we give away these water-powers without any proper consideration of the public interest, we are doing the very thing which will delay, and seriously delay, industrial development in the future. If we are looking into the future, if we are considering those who will live in the country after we are dead and gone, if we want to see business and industry develop as it should develop, then I say that that is an added reason why we should be careful and should delay for a reasonable time in order to ensure that these resources are not dissipated but are properly handled so that those who are building up industry will not be taxed to such an extent as to render industrial development impossible. But when we consider the delay which the Minister of Railways suggests, I would remind him that the Canadian Pacific Railway must come to parliament for every branch line and every foot of railway it builds,—

Mr. DUNNING: No.

Mr. CAMPBELL: —except yard increases.

Mr. DUNNING: My hon. friend is not right. If the Canadian Pacific Railway or any other railway company desires to build a line of railway wholly within a province it can go to the provincial legislature.

Mr. CAMPBELL: The argument is the same; they must go to some parliament to have it done. That is my point. Does the minister say that this is going to hold up railway building? The Canadian National Railways must do the same. There are many classes of companies, insurance and financial companies, that must come to this parliament to be incorporated. Not only must they come to parliament to be incorporated but they must come here in order to get the right to increase their stock. Is that such a serious matter? I do not think it is, and that should not justify any indecent haste in disposing of these resources.

Then the minister refers to the conditions in the prairie provinces as compared with Ontario and Quebec. They are not analagous at all. If the prairie provinces controlled these resources, then it would be a matter for those provinces themselves to decide as to what is the proper way to alienate them; and with that we have nothing to do. But we are deciding to-day on resources that are still controlled by this parliament—resources in the provinces of Manitoba, Saskatchewan and Alberta.

Now the Minister of National Defence (Mr. Ralston) used, it seemed to me, some rather remarkable arguments. He advanced as an argument why we should not pass this resolution the statement that the house had already placed itself on record and accepted unanimously a resolution in which the hope was expressed that the resources would be turned over to the prairie provinces. I believe that you, Mr. Speaker, some time ago referred to one such resolution as simply a pious hope. And that is all it is. Until that resolution is carried out and the resources are absolutely turned over, the question is simply an abstract one and means nothing.

Mr. DUNNING: Does my hon. friend argue that until they are actually transferred we should pay no regard to the wishes of the provincial governments with respect to their disposition? Is that the argument?

Mr. CAMPBELL: I was not dealing with that argument at all; I was dealing with the suggestion that we should not pass this resolution because the house a few days ago had passed another resolution. I say that the other resolution is not in effect at the present time. It is true that the house accepted it, but the very fact that the minister's own former colleague, the Premier of Saskatchewan, and his colleagues, had to break off negotiations and go back home shows how ineffective that other resolution is to-day. Surely we are not going to refuse to consider these matters simply because that resolution—which, as I say, you, Mr. Speaker, would probably describe as a pious hope—was passed by the house a short time ago.

Mr. DUNNING: My hon. friend does not answer the question. I stated to-night—and the hon. gentleman has criticized me in this regard—that ever since this government came into office there had been an increasing regard for the trusteeship feature of the relationship, and that the provincial governments had been consulted. Does my hon. friend object to that consultation? Does he object to our being guided, even under present circumstances, by the wishes of the provincial authorities?

Mr. CAMPBELL: No, I certainly do not object to that at all.

Mr. DUNNING: That is the whole point.

Mr. CAMPBELL: I do not object to that, but I say that the fact that a resolution has been passed with reference to the transfer of some resources does not constitute any reason why the present resolution should not be adopted; and if it were adopted it would relieve the public mind of a great deal of suspicion, all of which I believe is unjustified.

The minister referred to this very beautiful contract which has been drawn up. And it looks very beautiful until you begin to analyze it. But here you have a company tied up with an agreement under which the government of Manitoba can expropriate that power plant after thirty years. Now the minister knows perfectly well that inside thirty years that company would be so entrenched, it would have such power and influence in Manitoba as to be in a position to upset any government that dared try to exercise the right of expropriation. Through the control of newspapers, by means of contributions to party funds, and so forth, it would be absolutely impossible for any government inside thirty years to interfere with an interest of that kind.

The Minister of Railways said that he, while premier of Saskatchewan, had always been consulted in regard to any major disposal of natural resources. I was wondering whether he was consulted in regard to the disposal of a considerable block of land in 1924. Some 129,517 acres of land in the province of Saskatchewan were turned over to the Hudson's Bay Company in 1924. I hold in my hand a copy of sessional paper 101, a return asked for by one hon. member from Alberta. The question is asked whether the Hudson's Bay Company has obtained any grant of lands in Canada since 1921 and if so in what province, what districts in each province, the date of transfer, and by what authority these lands were transferred; and there is a list showing the disposal of 65,533 acres in Manitoba; 129,517 acres in Saskatchewan; and 153,924 acres in Alberta, making a grand total of 348,974. The authority for the deed of surrender is the Dominion Lands Act, and the order in council was passed on December 19, 1924. It is P.C. No. 2158, and the agreement between the crown and the Hudson's Bay Company was dated December 23, 1924. I believe perhaps this is one of the reasons why the Premier of Saskatchewan refused the offer to continue the present subsidy and receive back the natural resources. A very large part of our natural resources has been alienated already, and I think it would be absurd for the Premier of Saskatchewan to accept the return of those resources without an accounting for what has been alienated in the past. I believe the Minister of Railways himself, if he occupied that responsible position to-day, would refuse to accept that proposition.

Mr. DUNNING: A short time ago my hon. friend asked whether I was consulted in connection with the settlement with the Hudson's Bay Company. I was not consulted, for the obvious reason contained in the report itself. That transfer was due to a settlement as to what were the terms of the original deed of surrender of 1867 from the Hudson's Bay Company to Canada. It was a matter of right and not a matter of giving something away.

Mr. CAMPBELL: I think perhaps the minister will agree that this was a transfer of land to the Hudson's Bay Company in lieu of some release of land they made in the province of Alberta.

Mr. DUNNING: Can my hon. friend find that in the documents?

Mr. CAMPBELL: I have not the complete file here but certainly that is what I gather. The argument still exists: our resources have been alienated and I say the province is entitled to some accounting for them.

Mr. STEWART (Edmonton): To settle the matter, may I say that the Hudson's Bay Company have not made absolutely final selections yet. They have been making selections for years to complete their agreement.

Mr. CAMPBELL: There is another matter to which I would like to refer, and that is the disposal of a large block of our school lands in Saskatchewan. This is a phase of the question which has not been dealt with during this debate. I hold in my hand a list of lands which will be offered for sale at Maple Creek, Saskatchewan, on Monday, March 18, 1929, and another list which will be offered for sale at Wolseley, Saskatchewan, on Wednesday, March 20, 1929. I wonder just what is the reason for the haste in disposing of these school lands. It seems to me positively absurd to hold a sale of school lands or any other kind of lands in the prairies in the month of March. There are various reasons why I am opposed to this sale. First, I claim that this government has no legal right to offer the lands for sale. I take the view held by the hon. member for Frontenac-Addington (Mr. Edwards), although the Minister of National Defence says he does not

agree with that view. It seems to me this government agreed with it, and that is the view expressed by Mr. Bram Thompson, a lawyer of Regina, who I think was the first man to express that point of view. This government really accepted that principle in its dealings with Manitoba, and it seems to me they were influenced by that point of view in this transaction. So I say I am opposed to the sale of these lands because I do not think this government has any legal right to offer them for sale.

Mr. McLEAN (Melfort): Will my hon. friend permit a question?

Mr. CAMPBELL: I have only a few moments to speak, and I must make the best use of them. There is really an over-production of wheat this year; the best statistical authority on this matter states that there is an over-production of 400,000,000 bushels. A few days ago I read an article in the Financial Times of Montreal, a paper which can hardly be accused of agitating the farmer in connection with his grievances, and in this article the opinion is expressed that the net return to the farmer on the prairie this year for his wheat was only fifty cents a bushel. I say that to a large extent that is due to over-production, and just at this time it is absurd to throw all this extra land on the market which will result in an increase in this over-production.

Mr. ROSS (Moose Jaw): Did my hon. friend say the net return or the average return was 50 cents? Did he mean there would be a profit of 50 cents?

Mr. CAMPBELL: No, after the farmer paid for his threshing the net return would be 50 cents a bushel. I would hesitate to quote any farm paper in that regard, but this opinion is expressed by the Financial Times of Montreal, so I say it is absurd to throw a lot more land on the market and further depress prices.

Mr. STEWART (Edmonton): Without desiring to interrupt my hon. friend, I may say that it is not usual to sell these lands in March, but this is being done at the request of the provincial government, and the sale itself is taking place under an agreement with the government.

Mr. CAMPBELL: May I ask whether the provincial government wanted the sale to take place in March?

Mr. STEWART (Edmonton): Yes, and I will give the reason: They said they wished the sale to take place early so that the people purchasing the land might have plenty of time to farm it this season. That is the reason they gave me, although as I say we do not usually sell these lands in March.

Mr. CAMPBELL: That is a poor reason, because this is wild land and it must be broken up before it can be cropped. However, I am glad to hear the explanation; we will have to discuss this matter with the provincial government. It does seem to me, however, that with the tremendous increase in wheat acreage in the United States and the corresponding increase in Canada, due partly to immigration and partly to the combine in the west, this over-production will increase. In 1914 our acreage of wheat was only 10,000,000, while in 1928 it had increased to over 23,000,000 acres. The same laws of economics apply to the agricultural industry that apply to every other industry, although some people do not think so, and if your production is too great you will have a slump in the market. Look at the condition of the pulp and paper industry to-day; we have seen the premiers of Ontario and Quebec going to a great deal of trouble to get these mill owners to reduce their output, and finally they have reached an agreement. They considered it a national calamity because there was an over-production of pulp, but is it not an equally great calamity to have an over-production of wheat? The purchasing power of the farmers will be reduced this year by from $50,000,000 to $60,000,000 because of that over-production, and at this time we are proposing to put this additional land on the market in order to grow more wheat and increase that surplus.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, March 5, 1929

The house met at three o'clock.

DOMINION ELECTIONS ACT

THIRD REPORT OF SPECIAL COMMITTEE

Mr. C. G. POWER (Quebec South) presented the third report of the special committee appointed in accordance with the recommendation of the select standing committee on privileges and elections, concurred in by the house on the fifth day of June, 1928, as follows:

Your committee recommends that the quorum of fifteen members thereof be reduced to nine members.

He said: I beg to move:

That the third report of the special committee appointed in accordance with the recommendation of the select standing committee on privileges and elections, concurred in by the house on June 5, 1928, be concurred in.

Motion agreed to.

OFFICIAL REPORT OF DEBATES

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

That the first report of the select standing committee to supervise the official report of the debates, presented on the 30th day of June, 1924, be referred to the said committee for reconsideration, with the object of making a certain amendment thereto respecting the distribution of Hansard.

He said: I am given to understand that at the present time hon. members of the Senate receive only one copy of Hansard, and that they desire to have three copies. This is to enable the committee to give each senator three copies instead of one.

Motion agreed to.

CRIMINAL CODE AMENDMENT

Mr. G. R. GEARY (South Toronto) moved the first reading of Bill No. 36 (from the senate) to amend certain provisions to the Criminal Code respecting the possession of weapons.

Some hon. MEMBERS: Explain.

Mr. GEARY: I have been asked not on behalf of the senate but by one of the members of the senate to introduce this bill. I did so last year. Last year it passed two readings in the house, passed the committee, and stood on the order paper for third reading. Seeing that the bill reached that stage last year, the members surely knew what they were doing, and I do not think it requires any further explanation.

Motion agreed to and bill read the first time.

MONTREAL RAILWAY TERMINAL FACILITIES

REPORT OF MR. FREDERICK PALMER—PRINTING

On the orders of the day:

Mr. C. H. CAHAN (St. Lawrence-St. George): I should like to ask the Minister of Railways whether it is the intention of the government to print the report of Mr. Palmer which was laid on the table of the house recently, so that it may be distributed and examined.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I tabled the report the other day and arrangements are now in hand to have a sufficient number printed for distribution to any who may be interested in the contents.

Mr. CAHAN: This is a matter of the utmost importance in the constituency which I represent, and it would be most opportune if the report were printed in both languages with the plans attached.

Mr. DUNNING: That is the arrangement which is being made. The report will be printed in both languages with the plans attached, but my hon. friend will understand that reproduction of the plans will take a little time. The work is being proceeded with as expeditiously as possible, and I can assure my hon. friend of any reasonable number of copies he may desire.

CANADIAN MINISTER AT WASHINGTON

On the orders of the day:

Mr. E. J. GARLAND (Bow River): May I direct the attention of the Prime Minister to a news despatch to the effect that the Canadian minister at Washington was one of the few diplomats who appeared in full regalia at the recent inaugural ceremony? Is it the policy of the government that our diplomatic corps shall be properly garbed in regalia of a distinctive character, and if so, of what character is it likely to be?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I assume that the Canadian minister at Washington appeared in a diplomatic uniform similar to that of the British minister. Wherever we have legations and there are also British legations or embassies there I think it is probable that our ministers will wear uniforms similar to those worn by members of the British diplomatic corps.

IMPORTATION OF FRUITS AND VEGETABLES

On the orders of the day:

Mr. E. J. GOTT (South Essex): May I be permitted to bring to the attention of the Prime Minister (Mr. Mackenzie King) an item in the Border Cities Star, of Saturday, March 2, in which it is stated, under the heading "Ottawa to Protect Growers, Promise" that "action to keep out low-priced United States fruit and vegetables is sure if underselling proved, says Mr. Odette, Liberal M.P. for East Essex." I would ask if it is the intention of the government to introduce a bill this session to protect the fruit and vegetable growers of western Ontario or of the entire Dominion.

Mr. SPEAKER: Notice would be in order.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I would not like to say anything to discount what the hon. member for East Essex (Mr. Odette) may have said, but I would say that the government's intention will be made known in due course.

PEACE RIVER RAILWAY OUTLET

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): I would ask the Minister of Railways (Mr. Dunning) if he would lay on the table the report of the Canadian National Railway engineers with regard to surveys made for an outlet from the Peace River district.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I am not aware just what my hon. friend has in mind, but if there is anything in the way of information which has not been previously tabled, I shall see to it that it is tabled.

NATURAL RESOURCES

PROPOSAL THAT DISPOSITION BE EFFECTIVE ONLY ON APPROVAL OF PARLIAMENT

The house resumed from Monday, March 4, consideration of the proposed motion of Mr. Woodsworth:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

And on the proposed amendment thereto of Mr. Guthrie:

That the motion be amended by striking out the words "natural resources" where they occur in said motion and by inserting in lieu thereof the words "water-powers".

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, the motion before the house is a very brief one. I shall read it in order to keep fresh in the minds of hon. members the subject matter of the discussion which has been engaging our attention now for several days:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

To that a very modest amendment has been moved, limiting the words "natural resources" to water-powers. On this motion and amendment there has been very considerable discussion.

I would like at once to remind the house, as many hon. members have done, that this resolution is in very broad general terms. I do not wish, however, to join with some hon. members who have attacked the hon. member for Winnipeg North Centre (Mr. Woodsworth) who moved the original resolution, and to say that there was any ulterior design in expressing the resolution in such general terms, because I believe that what was in his mind was to introduce a resolution which would be of a character to enable members of this house to declare themselves on the principle which he had in his mind, and I think we should give the hon. member credit for sincerity in so far as that is concerned.

But I do differ with the hon. member, and I have felt myself in some difficulty from the commencement of this debate, in regard to the precise application of this resolution to the administration of the public affairs there referred to by a government, irrespective of what that government might be. I think, when a resolution of this kind is introduced into the house, the general tendency of parliament is to receive it in the spirit in which it is offered, and not to be too critical in the interpretation one puts upon it. Very frequently resolutions of this character are passed by this house, and they are not interpreted as directing the government to give effect to the exact letter of the resolution, but rather, the resolution serves as a general guide for the government. But in this case, the government, represented by the Minister of the Interior (Mr. Stewart), whose department was particularly affected, has attacked the resolution rather vigorously; in fact, I think we had four or five ministers yesterday expressing their views on the resolution.

There is enunciated in the resolution a principle which I think meets with fairly general support, and that is that within reason the public should keep control of these natural resources, such as water powers. Where we differ is as to the exact method of control. Some hon. members would have the water powers of Canada entirely under government direction and administration. Others are prepared to keep control of them in a measure, but to allow certain latitude to private enterprise. However, there has been a marked difference of opinion. A little later on, I desire to offer to the house an amendment which I hope will meet with general approval, and will in a sense break the deadlock which we have witnessed in the discussion so far, an amendment which I think will bring even my hon. friends on the government benches to its support.

But let me first bring to the attention of the government, and more particularly of my hon. friend the Minister of the Interior, just what precipitated this discussion, just what was behind the introduction of this resolution. I do not wish to be discourteous to the minister. It is customary, when you are going to

offer some criticism of a minister's action, to tell him first that you think very highly of him. I shall not do that other than by this implication. He understands me, I think, sufficiently to make it unnecessary for me to indulge in those courtesies, but I do wish to say to him this: Last year on the 6th day of June, the Minister of the Interior, speaking from his seat in the house, and representing the government, gave certain assurances to parliament in reply to a rather pointed request made by the hon. leader of the opposition (Mr. Bennett). I wish to read briefly some extracts from what the minister said on that occasion, and then I want to say to him that in the light of those statements which he made, he surely must realize that parliament is justified in criticizing him for—what shall I say?—at least not carrying out the spirit of his observations of last year; I think I can put it in that way. The minister said on that occasion, and this was in reference to a request I had made of him a couple of years ago regarding Spray lakes, that such resources "should not be alienated but be put under the control of parliament." He was referring there to the resources in the national parks. I want to bring this to the attention of the minister and of parliament right at this point. Yesterday the minister told us that the government had under way at the present time a process, by legislation or by regulation, of taking Spray lakes outside of the boundaries of the parks, and then they would be able to deal with them. I would suggest to the minister that that is scarcely keeping faith with his promise to parliament that these resources should not be alienated without consulting parliament.

Mr. STEWART (Edmonton): Parliament will be consulted because the bill to eliminate Spray lakes will have to be presented to parliament.

Mr. STEVENS: That will meet that objection, and I am glad that the minister has given us that assurance. Then, replying to the hon. leader of the opposition, the minister proceeds:

> Now I understand my hon. friend to say that if I give a promise that no disposition of any water-power will be made until it is placed under the control of—

Mr. Bennett interrupted and said, No. The discussion continued:

> Mr. Stewart (Edmonton): What did my hon. friend say?
> Mr. Bennett: I said we should not part with any water-powers without the approval of this parliament.
> Mr. Stewart (Edmonton): That would mean that a private bill would be introduced?
> Mr. Bennett: Or approval of a contract given by resolution.

Then Mr. Stewart goes on:

> —and now a very grave difference of opinion exists with respect to the disposition of the Seven Sisters falls. I may assure my hon. friend that until that difference of opinion is settled I am not going to issue any license for that water-power. I think I may assure my hon. friend of that.

In regard to the license given for that water-power or to the action of the Manitoba government in granting whatever licenses it had power to grant, I have no criticism to offer because I am not in a position to say whether it was a provident contract or not. That is a question for the people of Manitoba to determine; I am not going to discuss it. But I say to the minister, whether his promise was in regard to the Seven Sisters falls or the Spray lakes or anything else, a promise given by a minister of the crown from his seat in this house should not only be observed in its general terms, it should be observed to the very letter. In other words, a ministerial promise ought to go even further than what might be squeezed out of the interpretation of its words. And it is because certain members of parliament, in fact a substantial number, feel that parliament has not been treated quite fairly and courteously in this regard that this debate has been precipitated. I suggest that a salutary lesson has been read not only to the present government but to future governments that it is not wise—shall I say?—to play with parliament in matters of this kind.

Now, as this debate has proceeded some difficulties have been disclosed. The Minister of the Interior tells parliament this year, as he did last year, that he has been the storm centre for some years in regard to dealing with the natural resources, particularly I think, those of Manitoba.

Mr. STEWART (Edmonton): Only Manitoba.

Mr. STEVENS: Only Manitoba. He described to us in rather pathetic language the efforts that he has made to please the people of Manitoba and at the same time to discharge his responsibility as a minister of the crown in the federal arena. According to the method adopted—which, he says, perhaps he has carried too far—he has had to refer all applications respecting water-powers to the governments of the three prairie provinces for their review, approval and sanction. Then he added: he was forced, however, to take full responsibility. Yesterday he told us that he does take responsibility, evidently feeling that this responsibility had been unfairly imposed upon him in the light of the difficulties that have since arisen.

The minister described at great length, and other members have read into the record the letters, telegrams and documents of one kind and another which have passed between himself and the government of Manitoba in working out the granting of this license showing—

Mr. STEWART (Edmonton): I desire to interrupt my hon. friend as little as possible, but I do not want to let his statement go unchallenged, that I was ever pathetic in my defence or that I resented having to deal with the provincial governments.

Mr. STEVENS: Let me tell my hon. friend this. Yesterday one of his colleagues passed this comment, and the house will have to pardon me if I use the first name of the minister; his colleague said: Well, I think a little opposition spurs Charlie up, and I thought he did better to-day than he did the other day. So my hon. friend can thank us for spurring him up a little. To me the terms in which he defended himself were really pathetic and I felt sorry for him.

Mr. STEWART (Edmonton): May I assure my hon. friend that I do not desire it.

Some hon. MEMBERS: Order.

Mr. STEVENS: But I am going to give it to him freely; I want him to know how friendly disposed I am towards him. The minister described time and again the difficulties with which he was confronted trying to compose the differences between himself, his department, the Manitoba government, the Manitoba federal members, the city of Winnipeg and the members of the local legislature, all of these being factors in the matter. All I am trying to do is to impress this on the house and to help the minister.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: I mean it; and in a few moments I am going to help the thin red line from Manitoba. What I am trying to point out is that the minister finds, and he has endeavoured to show parliament, that the present method of administering the water-powers and indeed the other natural resources of the three prairie provinces is an impracticable and cumbersome method. That is the whole burden of his speech. If his speech did not mean that, it meant very little else. Why, we had the record of letters and telegrams passing backwards and forwards, we had red robins, partly repudiated and partly supported—

An hon. MEMBER: Round robins.

[Mr. Stevens.]

Mr. STEVENS: Yes, round robins. I was looking at a red tie when I said red robins. We had round robins, we had resolutions and orders in council, and the minister went so far as to say that he was so involved in the mass of correspondence that he would not even take a letter from Mr. Bracken. He insisted on an order in council signed by all the members of the Manitoba government present at the council before he would be satisfied to act in regard to the matter. I do not blame him. The correspondence discloses the great differences of opinion between the various interests affected.

Well, such was the dilemma of the Minister of the Interior. Then we find the members from Manitoba sharply divided on this matter. Some of the hon. gentlemen sitting over to the southeastward of the hon. member for Lisgar (Mr. Brown)—under his patronage, as it were—are sharply divided in this house, and there is a distinct cleavage between hon. members on that side from Manitoba and hon. members from the province sitting on this side. Some are taking the position that the whole question of the granting of licenses for water-powers should be left to the Manitoba legislature; others take the position that if the government of Manitoba by order in council expressed its approval they are satisfied that the minister should grant the license. As I say, there is a very sharp division of opinion between the Manitoba members. This is apparent from the speeches delivered. I am looking for the moment at the hon. member for Marquette (Mr. Glen), who, in a very eloquent speech the other night laboured hard to justify the position he is now taking. His conscience is worrying him; anybody can see it. The hon. member is looking for some way to escape from the dilemma in which he finds himself. I shall offer it to him in a few moments.

Mr. GLEN: Thank you.

Mr. STEVENS: Now, the hon. members from Manitoba signed a round robin last year, a petition, to the minister, in which they asked him not to take any action in this matter until their differences were composed and until the various elements that had a right to express their views had been brought into harmony. They were divided at that time; I point out to the minister that they are still divided.

Now I come to my hon. friend the Minister of Agriculture (Mr. Motherwell). He is not in his seat. He told us yesterday that the whole proposal to divide water-powers from the other natural resources, as suggested

by the amendment now before the house, is utterly ridiculous. The Minister of Agriculture, with his usual faculty for burlesquing something in opposition to which he cannot present sound reasons, made fun and sport of the whole business—in marked contrast to the Minister of Railways (Mr. Dunning), who, with his customary vigour, argued along another line. The Minister of Agriculture asks, whoever heard of a government doing such a thing as is proposed? Whoever heard, he wants to know, of a government separating one resource from another in administration. Let me read exactly what he said:

> How can we justify segregating water-powers and deciding that they shall be dealt with in the particular manner provided by the amendment to the resolution, leaving all other resources to be administered as they have been for the last half century or more?

He goes on—and I would direct the attention of the Prime Minister (Mr. Mackenzie King) to this:

> No government could justify making that distinction and legislating thereon.

I will show in a moment that this government has for ten years administered affairs just in that way; I will prove that conclusively. So that the Minister of Agriculture added nothing to the debate by ridiculing what his government is already doing.

The Minister of Railways was very much alarmed because, as he said, if this resolution were carried in its original form a prospector might be operating on the boundary line between Alberta and British Columbia, and not knowing precisely where on that mountainside the boundary line came he might find himself compelled to come to parliament if he happened to be on one side, or to go to Victoria if he happened to be on the other side.

Mr. DUNNING: No, to the mining recorder's office.

Mr. STEVENS: Yes, in case he happened to be on the other side. And in view of that contingency the Minister of Railways, with the usual vigour which characterizes all his addresses in debate, tried to show to the house that this was a hopeless and impossible proposition. Of course, he knew perfectly well that the spirit of the resolution did not contemplate the consideration in such a way of such details. But I will offer to the Minister of Railways a means of escape from the dilemma in which he finds himself.

I have just run over this matter hastily for the purpose of bringing to the attention of the house the cleavages of opinion in the house with respect to the question, and to suggest that we might frame some amendment that would meet the wishes of all. Before doing so, however, I should like to deal with another matter which I should have discussed at the outset. While I consider it to be more or less of secondary importance in this particular debate, at the same time it is in itself of major importance. I refer to the Beauharnois matter. I would not introduce that question had the Prime Minister not gone to such an elaborate extent in dealing with the natural resources question, and had he not so emphasized the rights of the provinces, not only in this matter but in others as well. He deemed it his duty to uphold the great doctrine of provincial rights. Now here we have before the government—not, I would remind him, before parliament—what is perhaps one of the largest questions with which this country has been faced in many years, namely, the granting of approval to the Beauharnois power scheme. But the Beauharnois power scheme is not the sole question; the question is: Does the Beauharnois power scheme dovetail into an economic and scientific development of the whole St. Lawrence great waterways problem? That is the first question. We do not know; parliament is not taken into the government's confidence in this matter. The government has intimated—at least through the press—that a statement will be made.

Mr. MACKENZIE KING: The government is not responsible for the press.

Mr. STEVENS: Well, I will say this to the Prime Minister: He frequently answers such a statement as I am making by saying that the government is not responsible for the press. I know that.

Mr. MACKENZIE KING: I wish to make that clear. There has been a great deal in the press, and the government is not responsible for any of it. Any statement the government has to make will be made to parliament.

Mr. STEVENS: This country, not only the province of Quebec or the province of Ontario, but the Dominion of Canada is vitally interested in this great proposed scheme of development on the St. Lawrence.

Mr. MACKENZIE KING: The government is fully aware of that.

Mr. STEVENS: It is the biggest thing this country has ever, not undertaken, but discussed or considered in the way of natural development; and I say to the Prime Minister that there has been so much discussion of this question, officially, semi-officially and un-

officially, that the public is entitled to know where the government stands. The Prime Minister would probably answer—if he is not doing so in his own mind now—by observing, "In good time the government will reply, giving its views". But, I say, this thing is going on from day to day, progressing from one step to another, while parliament has no opportunity of considering whether or not the scheme is a sound one.

Mr. MACKENZIE KING: Does my hon. friend appreciate what the government's obligation in the matter is? It is to approve certain plans or not to approve them. If the government, after taking all considerations into account, approves those plans, that approval will be announced. But no approval will be given unless the government is satisfied that all public interests will be conserved.

Mr. STEVENS: But I submit that it will not satisfy parliament, it will not satisfy the country at large, if the government come to parliament and say, with the whip over their own members, "This is what we have approved and we stand or fall by it". That is not sufficient in a matter of this kind.

Mr. MACKENZIE KING: My hon. friend knows that the way in which the government gives its approval is the course that has been followed for years, and the government does not intend to vary from that course at this time.

Mr. STEVENS: And what is that course? Under the Navigable Waters Protection Act the governor in council will or will not give approval of the scheme. That is the way it will be done.

Mr. MACKENZIE KING: That is the only authority it has.

Mr. STEVENS: Ah! But I am trying to impress upon the Prime Minister now that this proposition is of such supreme importance to the country as a whole that parliament is entitled to know just where the government stands in the matter; parliament is entitled to know that before the government comes to a decision. It is not sufficient for the government to say, "The machinery at our disposal provides that it shall be done by order in council", and then come to parliament, look us in the eye, and say, "We have a majority of twenty and will put this through". Let me put this to the Prime Minister. In regard to the ordinary business of the department, minor questions which are not of great importance, that may be all right. But this question is of supreme importance to the country. I am not prepared at this time to say a word regarding the soundness or otherwise of the Beauharnois scheme, I am inclined to think it would be a sound way to proceed provided it dovetailed, from an engineering standpoint, into the development of the whole St. Lawrence great waterways proposal. I think I speak on behalf of those with me on this side, and on behalf of the vast majority of the people of Canada, who are anxiously looking for some pronouncement, when I put this question to the government: What is the government's position in relation to the Beauharnois scheme? Where do they stand? Does it conflict with the St. Lawrence great waterways scheme as portrayed by the engineers of the government? And what is the government going to do if it does so conflict?

Mr. MACKENZIE KING: We will not grant approval.

Mr. STEVENS: Now I wish to offer to the house an amendment, which I think will meet the views of all hon. gentlemen.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: The Prime Minister and his chief whip have evidently a little joke on their side; the Prime Minister has been telling the chief whip to line up the crowd. That is all I can make out of their joke. Now, the Minister of Agriculture pointed out, with some degree of ridicule, that under this proposal the government would administer the waterways under one system and lands under another. Well, they have been doing so for sixteen years, under an act of this parliament passed in 1912, amended in 1913 and 1919, and now a part of the revised statutes of Canada, chapter 211.

In British Columbia there is a strip of land known as the railway belt, owned and administered by this government. In 1912 this parliament turned over to the province of British Columbia complete control of the water-powers in the railway belt so far as administration is concerned. I have the act under my hand; it is chapter 211 of the revised statutes, known as the Railway Belt Water Act. I wish to read one or two sections briefly, after which I intend to offer an amendment to the amendment:

(a) All water without distinction within the railway belt shall, during the pleasure of the governor in council, for the purposes of administration be under the control of the authorities of the province of British Columbia and be administered under and in accordance with the water acts, as if the said acts were enacted by the parliament of Canada...

Then the water acts are defined as being the water acts of British Columbia.

Mr. CANNON: What section is my hon. friend reading?

Mr. STEVENS: I am reading paragraph (a) of subsection 2 of section 5. I proceed:

The governor in council may direct that any act, or portion thereof, passed by the legislature of the province of British Columbia after the third day of March, 1913, relating to water in the province not within the railway belt shall apply to the water in the railway belt...

In other words, that makes the water acts of British Columbia applicable to the waters of the railway belt. Then, if the Minister of Agriculture were in his seat I would like to direct his attention to the following section:

Nothing in this act shall be construed as conferring any interest in or authority or control over any lands belonging to the crown in the right of Canada.

I think that effectively disposes of the opposition raised by the Minister of Agriculture. I have read these sections, into the details of which I cannot go since my time is rapidly passing, for the purpose of demonstrating to the house that the administration of the water-powers in a province may be delegated to that province by this parliament; that it has been done; that a government of Canada has been carrying on under that principle for sixteen years in regard to the railway belt, and the same principle can be applied to Manitoba, Saskatchewan and Alberta.

Therefore, Mr. Speaker, I desire to offer an amendment to the amendment. This is done, of course, pending the transfer of the natural resources in their entirety, and in this amendment I do not offer the details of legislation but simply cite the act and offer my suggestion to the house for its approval, after which the necessary legislation can be considered in detail. The following is the amendment to the amendment, moved by myself and seconded by the hon. member for Fort William (Mr. Manion):

That the said motion, as amended, be further amended by adding the word "further" after the word "no" in the first line thereof, and by striking out all the words after the word "government" in the second last line thereof, and by substituting the following words:

"In the provinces of Manitoba, Saskatchewan and Alberta, shall be made under the Dominion Water Powers Act, but the said water-powers shall be administered by the respective provinces, under powers to be granted by this parliament similar to the powers granted to the province of British Columbia to administer the water-powers in the railway belt as set forth in the Railway Belt Water Act of 1912, and being chapter 211 of the Revised Statutes of Canada, 1927".

Now I will read the amended motion as it will appear with my amendment, in order to make it clear to those who have not the motion before them:

That, in the opinion of this house, no further disposition of the water-powers under the control of the federal government in the provinces of Manitoba, Saskatchewan and Alberta, shall be made under the Dominion Water Powers Act, but the said water-powers shall be administered by the respective provinces, under powers to be granted by this parliament similar to the powers granted to the province of British Columbia to administer the water-powers in the railway belt as set forth in the Railway Belt Water Act of 1912, and being chapter 211 of the Revised Statutes of Canada, 1927.

Mr. GARLAND (Bow River): In what way will this sub-amendment help the hon. member out of his difficulty with regard to the disposal of the Beauharnois development on the St. Lawrence?

Mr. STEVENS: I will admit frankly that it does not affect that matter.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: I do not see the reason for this rather vacant laugh. This does not affect that question; it was not drafted to affect it, because practically all the discussion during this debate has centred around the natural resources of the west. With regard to the Beauharnois situation it is clear from the decision of the supreme court, so far as that decision has gone and from the reasonings contained therein, that the power rights rest with the provinces and that the right of the Dominion government is in regard to navigable waters. So the decision in regard to the Beauharnois scheme will be made under the Navigable Waters Protection Act and will not affect or alter the situation with which we are dealing here.

Mr. STEWART (Edmonton): Just to clear up the matter I would like to ask a question Is this amendment exactly in accord with the statute turning over to the government of British Columbia for administrative purposes the waters in the railway belt?

Mr. STEVENS: Of course the minister will apreciate what I said a moment ago, that in this resolution I have not attempted to define the necessary legislation.

Mr. STEWART (Edmonton): I just want to get at what is in the mind of my hon. friend.

Mr. STEVENS: I suggest that legislation of the character of the Railway Belt Water

Act, if applied to the water-powers of Manitoba, Saskatchewan and Alberta would convey to those provinces the administrative control of the water within their boundaries.

Mr. DUNNING: Only so long as the governor in council saw fit.

Mr. STEVENS: Yes, very good.

Mr. DUNNING: That is what the law says.

Mr. STEVENS: I am not suggesting that this is a final transfer of resources, but I do suggest that it should be done pending a settlement of the transfer of the resources to the provinces.

Mr. DUNNING: That is practically what we are doing now.

Mr. STEVENS: No, that is exactly where the minister is wrong, if he will pardon my saying so. I do not want this to be taken as mere gush, so to speak, but I sympathize with the minister in the position in which he finds himself. Before he can deal with a water-power he must consult with the government of one of these three provinces. It is obvious to anyone that no minister here in Ottawa can properly administer the water-powers as these three different governments may desire, separated from them as he is by time and distance. He must carry on all negotiations by letters and telegrams, by influences here and influences there. The procedure is impracticable; it is not parliamentary; it is not in accordance with the principles of good government, and I say to the Prime Minister and his colleagues that his Minister of the Interior cannot continue the administration of these valuable water-powers under these circumstances. Consider what the Minister of Railways said last night with regard to the northern part of Saskatchewan, which is on the eve of a tremendous mineral development and where there are great water-powers to be developed. The province of Saskatchewan desires to obtain control over these resources, knowing or expecting that their resources are to be returned to them, yet they must communicate every detail of their desires and expectations to the Minister of the Interior at Ottawa and trust that he will place the proper interpretation upon their wishes. It is not fair to him and it is not fair to them.

Mr. DUNNING: That is quite right.

Mr. STEVENS: I say to this house that, pending the settlement of this great question of the transfer of their natural resources to these prairie provinces, we might well adopt this resolution and thus find a way of escape from the dilemma in which we find ourselves, with many agreeing on different phases of the question yet disagreeing on other points. I ask the government to adopt this proposal and thus give to the prairie provinces control of their resources at least so far as the administration of water-powers is concerned, and then carry on for the next six months or a year negotiations looking to the settlement of the great problem of the transfer of all the resources.

Mr. GARLAND (Bow River): How would this affect the situation we have in Alberta at present, where a great power development which is under consideration is contained within a park area?

Mr. STEVENS: The Minister of the Interior has stated that he is going to revise the boundaries of the park, which would place these lakes under the control of the Alberta legislature. My point is this: The people in the prairie provinces—I contended for this principle for the railway belt in British Columbia when I was first in parliament—have a right to determine how these things shall be administered and what general policy shall direct. Manitoba might adopt a policy of public ownership; Alberta might adopt a policy of private exploitation.

Mr. GARLAND (Bow River): Not a chance.

Mr. STEVENS: I am just citing that for the sake of argument. British Columbia has adopted that policy, and I want to say to the Minister of the Interior that the Water Powers Act of British Columbia is looked upon as the finest piece of legislation regarding the administration of water-powers that there is perhaps on this continent; certainly it is the finest in Canada.

Mr. STEWART (Edmonton): I never attempted to interfere with it.

Mr. STEVENS: I am not suggesting that. I offer the suggestion that the other provinces of Canada might very well study that act as a basis for the legislation it would be necessary for them to introduce should this resolution be adopted.

Mr. WOODSWORTH: Since this resolution has been presented I have not had time to look up the Railway Belt Water Act of 1912, and I would like to know if it would be necessary, should this resolution be adopted, for the provincial legislature to take action before they would be able to administer their own water-powers.

Mr. STEVENS: The parliament of Canada would intimate to the legislatures of these various provinces that they proposed passing such legislation; then an act, similar to the Railway Belt Water Act, would be introduced here by which the water-powers would be transferred to the administration of the provinces. Undoubtedly, it would be necessary for the legislatures of the provinces to pass the necessary legislation to carry on the administration within their own boundaries.

Mr. WOODSWORTH: It would not be done by order in council.

Mr. STEVENS: I should not think so, although I am not sufficiently qualified as a constitutional lawyer to give that ruling dogmatically.

Mr. C. H. CAHAN (St. Lawrence-St. George): I listened to the debate yesterday, and I have had the privilege of reading the debates of the previous days. I believe in the principle of ministerial responsibility to parliament; the principle of legislative responsibility on the part of parliament and of ministerial responsibility in administration in order to give efficient and practical application to such legislation as parliament may enact; and in the further principle that in so far as powers are vested in the governor in council to be exercised in their sole discretion, they have the right to exercise that discretion subject to their being amenable to parliament. If I were called upon to decide as to whether the Minister of the Interior (Mr. Stewart) had exercised a proper discretion in granting the license for the Seven Sisters falls power site, I would be unable to do so because I am not in possession of sufficient information. If the issue is that of a condemnation of the Minister of the Interior, in justice to him and in justice to parliament it should be brought forward by a substantive original motion, or by proposing an amendment when we are on the motion to go into committee of supply or committe of ways and means. In that manner all the facts relevant and pertinent to the exercise of that discretion by the minister could be discussed by parliament upon the amendment then before the house, and we would be in position to deal with the issue on its merits.

I was somewhat embarrassed by the nature of the original resolution, and to a lesser extent by the amendment. I would have voted for the amendment as it stood, but would have done so simply as an expression of opinion on the part of the house, to the effect that, even although it may be within the jurisdiction of the governor in council to deal with certain matters by order in council, there are times when such matters are of such supreme importance to the whole country that parliament should be taken into the confidence of the government before a final disposition is made of the matter.

I had some personal experience with regard to the administration of the act of 1912, which vested in the province of British Columbia the administration of water-powers. When that act was first passed by this house it was provided that orders in council passed by the legislature of British Columbia in reference to the carrying out of the act should retain validity and force only until the close of the next succeeding session of the parliament of Canada, when, if they were not approved by the parliament of Canada, they became invalid and of no force or effect. The wide scope of that amendment brought before the parliament of Canada not only the granting of the original license or permit, but all such minor modifications or amendments as were necessary for the carrying out of the original undertaking. However, it was found that the administration of the Water Powers Act of British Columbia was made impossible when every minor matter connected therewith could only become permanently effective on receiving the approval of the parliament of Canada. I brought that to the attention of the government of the day, and the clause providing that every order in council should be brought before parliament for its approval was repealed, because it was found impossible to administer the affairs of the country under such a provision.

The debate has disclosed that the Minister of the Interior, in the exercise of his discretion in reporting to the governor in council and the governor in council in granting the permit or license for the development of water-power at the Seven Sisters falls, if that is the name, acted clearly within the well-defined limits of the powers vested in the minister and the governor in council by the act which has been under discussion, chapter 210 of the revised statutes, an act respecting Dominion water-powers. But we find that the minister, in carrying out the duties imposed upon him, not only consulted with his colleagues in the government but found it necessary, in view of the importance of that undertaking, to consult with certain members of the house, some fourteen in all, if that is the number. My contention is that if the minister in the exercise of his discretion finds it necessary, on a matter of the disposal of natural resources, the water-powers of the country, to consult ten or fourteen members, it is a matter of such importance that he should frankly come to the whole house, be-

cause each one of us as an individual member has exactly the same responsibilities as the members from Manitoba with whom he did consult.

Therefore, there are, as the circumstances have disclosed, exceptional cases when the house should be consulted with respect thereto. If I had voted for the original amendment, as I intended to do, I should have voted for it with the explanation that I think it is too broad in its terms and as merely indicating that there are circumstances which are peculiar, conditions which are special, which at certain times render it advisable that the government, before vesting these water-powers in companies or in private individuals, should consult the house with regard to their prospective action, so that there may be a clear discussion, a clear vision in the minds of the members as to what is involved, and so that the practical approval of the house may be obtained before such concessions are made. Had I voted for the amendment, I would not have voted as condemning the Minister of the Interior. He acted within the clearly defined jurisdiction vested in him by the act to which I have referred and that act, chapter 210 of the revised statutes, dealing with water-powers, was an act introduced into this parliament by the Right Hon. Arthur Meighen as a government measure when he was Minister of the Interior and was, after certain amendments, supported unanimously by the house. Therefore if it were shown that the Minister of the Interior had acted honestly, with no wrongful intent or corrupt motive, I would not be prepared to condemn him for exercising the power vested in him by an act of parliament which received the unanimous approval at least of this house.

But we have by a resolution which we passed the other day unanimously agreed that the natural resources of the three provinces of Manitoba, Saskatchewan and Alberta should be vested in those provinces respectively, that is, vested in the crown as representing the three provinces respectively. Until that is carried out there must be a certain provisional period, and some temporary arrangements must be made, because it is essential to the administration of public affairs in this country that under our institutions ministerial responsibility should be maintained. Therefore I am not personally in favour of continuing a condition of affairs in which the Minister of the Interior, in exercising his duties as vested in him by an act of parliament, shall be in a position to come before the house and justify his action by reason of the fact that he has secured the prior consent of the government of a province. The government of the Dominion must be responsible to parliament; the government of Manitoba, Saskatchewan or Alberta must be responsible to the appropriate legislature. Therefore I think, as a provisional measure, the amendment moved by the hon. member for Vancouver Centre (Mr. Stevens) should receive the unanimous support of the house, because until the transfer of the natural resources is made to these provinces respectively, it provisionally places the administration of the water-powers of Manitoba under the control of the legislature and government of that province, and the same in respect of the water-powers of Saskatchewan and Alberta. That is a temporary solution of the difficulties with which we are confronted.

I have had some practical experience over a period of years dealing with the development of water-powers. I was the executive head for seven years of the development in another country of one of the largest and most magnificent water-powers ever known. My experience is that in dealing with the development of water-powers it is impossible that every petty change in plans or specifications, or even a change of site or a change in the conditions under which the operations take place, should always, necessarily, receive the ratification of the legislative assembly or the parliament which is in legislative control. I could give a dozen such experiences showing the impossibility of bringing these matters up for legislative ratification. They must be left as matters of administration, and the government must remain responsible to parliament for their administration, the proficiency, the honesty of it. Therefore I suggest that this is a fair solution, because I firmly believe the development of water-powers should be left to the legislature and government of the province in which those water-powers exist.

If I might be permitted to refer to Beauharnois, I think the rights of the province of Quebec are clear with respect to the development of the so-called Beauharnois power on the St. Lawrence river. I have read in the press the questions and the answers given thereto by the supreme court on a recent reference, but I have not yet seen published in the press a full statement of the reasons embodied in the opinion of the court. I have heard it said inside and outside of parliament that it seemed to convey no clear idea as to the respective powers of Ontario and Quebec on the one hand, and the Dominion on the other. But after having read that

opinion some six or seven times, I think we find in the opinion itself as clear and direct and even subtle an expression of the views of the supreme court as it was possible for very intelligent men to give under the circumstances.

May I suggest that the inference which I took from the announcement made by the Prime Minister (Mr. Mackenzie King) the other day was that to a certain extent, in his own mind, the methods by which the St. Lawrence river might be developed for navigation, on the one hand, and for power, on the other, had somewhat changed to conform with the spirit of that opinion. In the Beauharnois matter I am clearly of the opinion that the power rights are vested in the province, and that the control of navigation is vested in the federal government of Canada, and I say it would be not only unconstitutional, it would be dishonest if the government of Canada, while pretending to exercise rights with regard to navigation, should use those rights indirectly for the purpose of destroying a power proposition which has received the support of the legislature and of the government of that province.

Mr. DUNNING: That is what the court says.

Mr. CAHAN: Therefore, while certain gentlemen on this side or on that side may feel that they would like to see all power projects carried on by governments of provinces or by municipal governments as publicly-owned undertakings, I am thankful that the opinion of the supreme court, as I read it, renders it impossible for this parliament to impose upon Quebec such an institution as you have adopted in the province of Ontario in the Hydro-Electric Commission.

Some hon. MEMBERS: Oh, oh.

Mr. CAHAN: I am serious. I have not one word to say against the Hydro-Electric Commission. The legislators of Ontario may adopt that or any other form of internal development which they think fit, but in dealing with local works of that kind, they have no right to impose their views upon the sister province, which is at perfect liberty to adopt such means and methods as they may deem it expedient to adopt. I am prepared at any time to enter upon a discussion of the relative merits of the two economic systems which prevail in these two provinces. I have studied the facts so far as I can. Probably the question could not ultimately be determined except by an examination of the books and of the officials of the private companies in the province of Quebec and of the Hydro-Electric Commission of Ontario, but as nearly as I can ascertain, in the province of Quebec those using industrial power obtain it at slightly lower rates than in the province of Ontario.

Mr. EULER: Not at all.

Mr. CAHAN: And those using light obtain it at slightly lower rates in the province of Ontario than in Quebec. If the legislature of the province of Quebec—I differ from it in many of its legislative methods and acts —but if that legislature, which is supreme within its own domain, just as the parliament of Canada is supreme within its own domain, decides that the better industrial development, or the industrial life of that province is conserved by granting licenses or permits to private companies, then leave it to the private companies to carry on their undertakings in conformity with provincial laws.

Furthermore, I think the opinion of the supreme court gives to those of us who are anxious to see a reasonable and equitable settlement of the question of the development of power on the St. Lawrence river a basis of compromise that will be acceptable to the whole country. When this project was first discussed, it was proposed that the power development and the navigation development should be made by the government of Canada under the terms of a treaty to be negotiated with the United States. I believe that if the government had undertaken to carry out that policy, they would have met with great disfavour in all the provinces except Ontario and Quebec, because I have been from almost one end of the country to the other since that suggestion was made, and if I am able to gauge public opinion, public opinion in the maritime provinces and public opinion in the west is against this government undertaking a national liability of $300,000,000 or more for the purpose of developing cheap power for Ontario and cheap power for Quebec at the expense of all the rest of the country. But as it is clear from the opinion given by the supreme court that the province of Ontario, owning the bed of the river St. Lawrence to the boundary line, and being invested with the power rights and privileges, except those which pertain to the riparian owners, has under its legislative jurisdiction the development of power from the Canadian shore of that waterway, I think it is far better that that province should be left to carry on that development by such public-ownership methods or system as it desires to adopt.

Further, I entirely approve of the suggestion made by the Prime Minister the other

day, if I understood him right, that he had decided, I presume in view of this opinion, to take the governments of Ontario and Quebec into consultation in order that together they might come to a unanimous agreement with regard to the exercise of their respective rights in the St. Lawrence river, whether as to the international section or the Quebec section. That removes one of the most aggravating causes of irritation and discord that would otherwise exist throughout the length and breadth of this land.

If I am not going beyond the question, I would like to make this suggestion to the Prime Minister. I have been accustomed to read engineers' reports. I have lived ten or twelve years of my life in daily consultation with some of the best hydro-electric engineers that could be procured either on the continent of Europe or in this country, and I have read each one of the reports that have been made on the development of the St. Lawrence river from earliest times down to the present. I would suggest to the right hon. gentleman that there is a method whereby we could preserve for all time, on the Canadian side of the river, a thoroughfare for navigation that would not be dependent in any respect on the legislative jurisdiction of the state of New York or of the congress of the United States, or be dependent on administration by the government of the state of New York or by congress itself.

I reject at once, in such opinion as I have, the idea of developing the international section of the river by one great dam south of Barnhart island. No volume of water such as that was ever contained by one dam, and there is no reason why we should enter upon the experiment. But if you make a dam at the foot either of Crysler island or near Ogden island across the river, which could only be done by agreement between the two countries, you bank up the water and form what is practically a great lake above the dam which will be of a depth suited for navigation. If you build another dam at the foot of Barnhart island you back up the water to such a depth that you have practically a new lake running away back for several miles. The plans which have been so far suggested provide for locks on the American side to drop down at Ogden island and locks, also on the American side, to drop down at Barnhart island. The plans provide further for a weir on the American side which will control the flow of the river, so necessary to maintain the proper levels at the city of Montreal, in which I am particularly interested. But what is worse, those plans provide for one powerhouse, one-half of which will be used by the American government or its licensees to develop its one-half of the 2,200,000 horse-power available, and the other half of the powerhouse will be used for the development of the power which appertains to Canada or, as I think, to the province of Ontario.

Now, I tell the Prime Minister, this country will never agree to have those locks and those weirs and that powerhouse entirely upon American soil. I believe that is the almost unanimous opinion of the public, as I come in contact with it. But it is easy to overcome that difficulty, and if this matter is to be further investigated I think the board's engineers should ascertain, as it is possible to put locks on the American side to enable the ascent from one level to the other, whether it is not also quite feasible and practicable to put locks on the Canadian side to fulfil the same functions at a not very extreme cost; and weirs should be placed on the Canadian side to control the flow of the river, so that for all time to come, while we accept the treaty pledges of the United States with the utmost confidence, we will alleviate all anxiety on the part of Canadian shipping that they may be compelled at certain times of stress to pass through American locks in order to proceed from the St. Lawrence up into the Great lakes. As a provision against that possibility the extra expense is entitled to very favourable consideration.

Mr. SPEAKER: Order. I do not want to interrupt the hon. gentleman, but I think he is far afield. The house is discussing a question affecting the natural resources of the country, and the amendment to the amendment concerns the administration of those resources. I am bound to say that many hon. members in the course of the discussion have gone beyond the Seven Sisters, which were not even mentioned in the original motion. May I hope that the hon. gentleman will link up his argument with the main question before the house.

Mr. CAHAN: I apologize, Mr. Speaker, I got into one phase of the subject because I am intensely interested in the St. Lawrence scheme, and there has been no opportunity for discussing it, although it has been referred to incidentally in various ways. But to come back to the issue. We are confronted with the question of provincial rights. Only in exceptional circumstances do I favour the Dominion government undertaking the development of hydro-electric power and its transmission and sale. I think it is wise that that should be left to the dif-

ferent provinces, because those provinces have adopted different economic systems, and all the arguments in the world would not induce one province to accept the economic system which prevails in the other. Therefore in regard to the development in the west of the Seven Sisters power site and other water-powers which have been mentioned, I think it is wise that this provisional measure should be adopted, and so place the administration of those water-powers under the several provincial governments, subject to such laws and legislative enactments as the local legislatures may adopt. If they decide that the development must be undertaken by the province, by a municipality, or by some other public authority, the decision is entirely within their own discretion. If they decide, as in many cases I believe they will decide, that there are exceptional circumstances where private enterprise may be induced to carry out such developments to the advantage of the whole community, then too the matter is entirely within their discretion as to whether they grant a license to private companies or not.

Consequently, Mr. Speaker, in supporting this amendment I appeal to the government whether it does not offer a temporary solution which should receive their favourable consideration, because I believe it takes from the arena of political discussion an issue which is ever becoming a more grievous, irritating sore from day to day.

Mr. WOODSWORTH: Before the hon. member sits down, may I ask a question? He is an authority on the working out of the British Columbia Act. Is it necessary under that act that parliament should take action; or could it be done by order in council?

Mr. STEWART (Edmonton): By order in council.

Mr. CAHAN: As I remember the act, it is done by order in council; but the legislative body which has the sole responsibility in the matter can impose such conditions upon the government as it sees fit.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, I find myself in considerable difficulty in discussing this question at the present stage. The original resolution proposed:

> That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

To this two amendments were moved, which were declared to be out of order. Then another amendment was proposed that the words, "natural resources" be changed to "water-powers". Finally we have the amendment now under consideration.

It would seem to me, Mr. Speaker, that hon. gentlemen opposite have been arguing for three or four days in favour of taking more and more precautions in guarding our heritage of natural resources, particularly water-power sites; but that in supporting the last amendment they are arguing directly opposite, that is, to lessen the precautions. The hon. member (Mr. Stevens) who moved the amendment very kindly said he was coming to the aid of the members on this side to get them out of their dilemma. I hold that we are not in any dilemma, for I am quite convinced that we are on sound ground in opposing the amendment.

As the debate has been in progress for several days my observations will be very brief. At the present time six of the provinces have their natural resources, and negotiations are now pending having in view the transfer of their natural resources to the other three provinces. This has been the condition for a long time, and it may continue for a long time yet. We have had legal discussions as to the relative positions of the Dominion and the provinces in regard to water-power sites. In a general way, my understanding is that within the province controlling its own natural resources the provincial authority has jurisdiction over the banks and the bed of water courses, but that any navigation features are under the control of the federal authority. Surely it was never intended that the Dominion government should take advantage of that in order to interfere with or impede or retard water-power development. Within the provinces that have not their natural resources, this government would have control of all. So that the amendment simply means that the three provinces that have not their natural resources will have to come to this parliament before they can make use of their water-power sites, whereas the six provinces who now have their natural resources will be able to go ahead and develop them in the interests of their own people. That, I claim, is not only an inferior but a humiliating position; and I claim further that it puts some of the provinces under the protecting wing of this parliament.

The members of the provincial legislatures have an opportunity to travel around their provinces and become acquainted with local conditions; they are in a position to decide what measures should be taken in regard to

the development of water-power sites. The members of this parliament would have no such opportunity over the wide Dominion. So that this parliament would be asked to pass upon certain questions although it would be impossible for us to obtain the necessary information to enable us to come to a reasonable and a sound decision respecting those questions. If it is the idea further to prevent exploitation of our natural resources, why pick out only three provinces and leave the others as they are? Hon. members opposite have argued that we have tried to inject the question of provincial rights into this debate. I may assure them that nothing of the kind was our intention. We have the privilege of representing and speaking up for the people who sends us here and we wish to take advantage of that right, and nothing more. We who have visited the industries of the west and those of the east also know something of the magic which has been accomplished by white coal; we know how it can be transmitted long distances, and how it is revolutionizing modern industry. Last year in Canada more than half a million horse-power was developed, and more and more will be developed in the future. In Alberta the people are making a sincere effort to build up industry. The provincial government, the municipal and city councils and the associated boards of trade are all organizing and advertising and spending money and effort with the idea of building up industrial centres in the west. To do this they must have power, and the cheaper the power the greater will be their opportunity. They are investigating the power situation and are much interested in the whole question. I hope that the province of Alberta will soon get her natural resources, because I believe that the government and the people there are ready and able to deal with those resources. At the present time the agreement is being held up because of the subsidies. In Alberta a great deal of social work is undertaken by the government. At present they are advancing rural education, rural health clinics, and activities of that sort. If it were not for the profits, probably temporary profits, which they obtain from the liquor control, they would not be able to carry on that work, and I hope that increased subsidies will be given. But while they are holding out for increased subsidies, I trust that they will not be placed at a disadvantage regarding their natural resources, as they would be through this resolution. I find myself in agreement with the sentiments of the hon. member for East Calgary (Mr. Adshead) and therefore cannot vote for the amendment.

[Mr. Gershaw.]

Mr. H. C. HOCKEN (Toronto West Centre): I want to protest against the statement of my hon. friend from St. Lawrence-St. George (Mr. Cahan), who always speaks in italics, that there is some attempt on the part of the province of Ontario to dictate to the province of Quebec. He was very loud and vehement in that suggestion. The people of Ontario are satisfied with their hydro-electric system. They are perfectly satisfied, and are so entirely devoted to the conduct of their own business that they are not in the habit of interfering with any other province. Some of us have shown some interest in trying to secure for the prairie provinces their natural resources, but that is a broad general question for the Dominion, which might properly engage the attention and efforts of any member of the house.

Coming to the issue before us, I am sure that hon. members who were here yesterday and were able to make a contrast between the attitude of the Minister of the Interior (Mr. Stewart) and of the Minister of Agriculture (Mr. Motherwell), must have been very deeply impressed, first, with the seriousness with which the Minister of the Interior treated the question, and the buffoonery of the Minister of Agriculture. Some person ought to tell the Minister of Agriculture that this is not a three ring circus.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I am sure it is only a slip; the hon. member is too courteous to use such language.

Mr. HOCKEN: Well, Mr. Speaker, the minister conducted himself as if it were.

Mr. SPEAKER: Order. I will ask the hon. member to set a good example.

Mr. HOCKEN: Very well. Now I have sat with the Minister of the Interior for seven years and I have never seen him so much in earnest as he was yesterday; I have never seen him so excited, and I am bound to say that in my opinion there is a very good reason for it; because in my judgment the minister's conduct is not all that it should have been. We expect—at least I expect—something different from the Minister of the Interior. We do not expect on this side very much from most of the ministers over there. They have come down into this house and stated most positively, vigorously and emphatically that they were going to do so and so and then they have utterly failed to implement their promise. We all remember with what

emphasis the Prime Minister (Mr. Mackenzie King) promised to lay upon the table of this house, and to bring before the house for discussion, the equal status that he brought back from Europe. And it was never heard of again. So that we have become accustomed to the statements of the Prime Minister being implemented or not implemented just according to the circumstances that may prevail after he has made his original statement. Because in that instance he was evidently led to revise his original statement. But it is a little different with the Minister of the Interior. We always expect him to keep his word and do what he promises. And in this instance, I think it may be said, he has not kept his word and has not done what he promised to this house and to the members from Manitoba.

The Minister of Railways (Mr. Dunning), in his very natural and keen desire to defend his fellow minister, tried to draw an analogy between this government interfering with the water-powers of Ontario and interfering with the water-powers of one of the western provinces. There is no analogy at all, and if three years ago this government had followed the advice given from this side of the house or had even permitted the debate of a resolution it is more than likely that to-day Manitoba would be in the position of Ontario with regard to these resources, and it would not be necessary for the Minister of the Interior to interfere at all. Three years ago an attempt was made to begin the transfer of these resources to the prairie provinces; I believe the Minister of the Interior laid on the table of the house an agreement with Alberta which was perfectly satisfactory to every member of the house with the exception of the hon. member for Labelle (Mr. Bourassa). His interference at that time prevented the government from beginning the transfer of the resources to the western provinces, and after the government weakly permitted that agreement to remain on the table of the house so that we could not discuss it; after they refused to implement that agreement and sent a man west with another agreement; after they dragged this thing along through the courts and delayed it in other ways for three years, they are solely responsible for the conditions existing to-day and the trouble in which they find themselves at present. If the resources had been transferred to Alberta at that time Manitoba would have had her resources by now, and would have had absolute control of her water-powers.

I disagree with the statements which have been made by hon. gentlemen opposite that this government has nothing to do but take the word of the government of a province in these matters. As a general rule I agree with that, but here was a case where a responsible minister promised the members from Manitoba in a statement made in this house that this license would not be granted until all the differences had been adjusted. His promise was that this would go before the legislature of the province of Manitoba.

Mr. STEWART (Edmonton): I beg my hon. friend's pardon; I certainly cannot stand for that, although I am standing for a good deal.

Mr. HOCKEN: That is what I undesrtand the minister promised the members from Manitoba.

Mr. STEWART (Edmonton): Then I am sorry that my hon. friend misunderstands the situation.

Mr. HOCKEN: At all events, the differences which exist there and which have existed for some time have not been removed, and the minister promised that this license would not be issued until they were removed.

Mr. STEWART (Edmonton): I shall not interrupt my hon. friend again, but I must say I did not make any such wide promise.

Mr. HOCKEN: It is here in Hansard.

Mr. DUNNING: Not what you say.

Mr. HOCKEN: Yes, what I say.

Mr. DUNNING: Then read it again; it has been read over a dozen times already.

Mr. HOCKEN: Here is what the minister said:

> I may assure my hon. friend that until that difference of opinion is settled I am not going to issue any license for that water-power. I think I may assure my hon. friend of that.

The differences have not been settled, because if they had been settled this debate would not have taken place.

Mr. DUNNING: Pretty cute at taking a statement completely out of its context.

Mr. HOCKEN: I will read it all if you wish.

Mr. DUNNING: It is very unfair to the minister.

Mr. HOCKEN: That is a perfectly fair statement of what the minister said in this house, and it is the genesis of this whole discussion. I would be prepared to vote for the original motion; it might cause some embarrassment in the administration of the resources of the west, but it would have been a good thing for the western provinces if

a lot of these leases and other transactions which have taken place there had been brought before this house for ratification. There have been a lot of funny things happen in the west.

Mr. DUNNING: Will my hon. friend name one of them? They have been all tabled and the Seven Sisters lease is the only one which has been mentioned in this debate. Will my hon. friend back up his insinuation by naming another case? All these transactions have been tabled in this house.

Mr. HOCKEN: I will say this, sir, that when the Saddle Lake reserve was opened up it was done in such a way that it had to be reopened and a second sale held, because a few men on the inside had gathered in the whole area which had been opened for settlement. That is one case.

Mr. DUNNING: And what did the minister do?

Mr. HOCKEN: There is another case up in Wetaskiwin just about as bad, so it is not only the water-powers.

Mr. STEWART (Edmonton): To what sale is my hon. friend referring?

Mr. HOCKEN: My hon. friend from Athabasca (Mr. Kellner) tried to get the facts in this connection. It appears that a man named Conroy had a lease for a large area in that district.

Mr. STEWART (Edmonton): That is correct.

Mr. HOCKEN: He secured that lease and never used it except to re-let the land to other persons, and he used land which he had no right to use for pasturage and for other purposes.

Mr. STEWART (Edmonton): That is news to me.

Mr. HOCKEN: It is in the correspondence. However, Mr. Speaker, whatever may be said about the leases and all that kind of thing going on up there, in which it is charged by those living in the district that gross favoritism is displayed, I do not see how any member especially from Manitoba could refuse to vote for the amendment which is designed to protect the water powers of that province. That is what I would prefer to vote for, but my hon. friend from Vancouver Centre (Mr. Stevens) has been so exceedingly generous in his treatment of the case that he has given the government a chance to get out of their present dilemma.

Mr. DUNNING: Given you a chance, you mean.

[Mr. Hocken.]

Mr. HOCKEN: No, I am not in any dilemma; I always steer clear of them, but I should think the government would accept the amendment proposed by the hon. member for Vancouver Centre, because certainly it would let them out of a very awkward position. If they do not accept the amendment my preference would be to vote for the amendment proposed by the hon. member for South Wellington (Mr. Guthrie), and I think that is a reasonable thing no matter how we may quibble about it. It is the only possible way to protect what is left of the natural resources of the province of Manitoba with respect to water powers. That is all.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, before I refer to the amendment to the amendment may I say a word with respect to a matter of procedure in this house in connection with amendments. It is customary, when amendments are being proposed from the opposite side of the house or when important motions are to be introduced to which the government is expected to make an immediate reply, that in advance the government will be supplied with a copy of the proposed amendment or motion. I do not say for a moment that my hon. friend, who has presented the amendment we are now considering and who is an old parliamentarian, intended in any way to overlook that practice; I am sure it was a mere oversight on his part, but since he intimated in his remarks that his desire was to find some common ground on which all members of the house could unite I think it would have facilitated what he had in view if before beginning his remarks he had intimated that he would move an amendment, and had in advance supplied the government with a copy of it. Hon. members will see in a moment that especially where reference is made to some statute passed years ago with special application to a particular province, the government cannot be expected, having a sense of its responsibility in matters of this kind, to accept immediately and in an offhand way a suggestion which may involve many factors not apparent on the surface, and to which some thought and consideration must necessarily be given. I would suggest to hon. members that this practice, which is one of the oldest of parliamentary usages, should be followed on all occasions where the desire is not to take the government unawares for the purpose of obtaining some snap verdict, but rather for the purpose of having a deliberate opinion expressed by those who are responsible.

May I say a word with regard to the amendment to the amendment. The original motion was a very broad one in its application; it related to the disposition of all natural resources. It soon became aparent, both to the mover of the motion (Mr. Woodsworth) and to hon. gentlemen opposite who have spoken in support of it, that they had gone much too far; that as a matter of fact they were advocating something which they had come to see was really unwise and unworkable. They began a retreat and sought to discover some means of gracefully accomplishing that retreat; at that stage the acting leader of the opposition (Mr. Guthrie) came forward to extricate his forces and introduced an amendment which limited very considerably the scope of the original motion. Instead of a further consideration of all natural resources, the acting leader of the opposition brought in an amendment which limited the subject matter to water-powers. That was a considerable step backward from the original motion which had been receiving the support of hon. gentlemen opposite. But my hon. friend (Mr. Guthrie) after he had brought forward his amendment discovered that he too had gone too far, and began to look around for a chance again to retreat. It was not the members on this side of the house who were in a dilemma, as the hon. member for Toronto West Centre (Mr. Hocken) has suggested; it was the acting leader of the opposition who found that he had introduced an amendment which was against the interests of the western provinces. Between yesterday and to-day he and the members of his party have been in conference as to how they could get out of the particular predicament into which they had fallen through that amendment. So in order to help the acting leader of the opposition out of his difficulty, the hon. member for Vancouver Centre (Mr. Stevens), his left bower at the moment, comes along with an amendment to the amendment. That is a unique spectacle, if I may use a word which has been adopted more than once in this debate; we have the acting leader of the opposition declaring a policy and then we have one of his followers asking, with his consent, that this parliament do not accept the policy which the acting leader has put forward but accept something much less important and significant.

We sympathize with the hon. gentlemen in their dilemma and we will go as far as we can to help them out. We are as anxious as they are to have this matter settled in a manner which may meet if that is possible, with unanimity in this house. So long as the house understands exactly what it is being committed to, there is no reason why we should not be in agreement with respect to the amendment to the amendment which has been moved by the member for Vancouver Centre. This amendment brings us back to the position this government has been asserting all along. My hon. friend (Mr. Stevens) drew attention to the fact that we had been stressing provincial rights, had been stressing the right of the provinces of the Dominion to their own resources and that we were seeking to have those resources administered by the provinces as speedily as possible. He says to us, "That being the case, why will you not accept my amendment? it only asks you to do that much." I may say to my hon. friend that we are prepared to accept his amendment if that is the significance of it, but in accepting it I want to have a distinct understanding with the house as to just exactly what we are accepting so that there will be no misunderstanding later on and the onus placed on the wrong shoulders with respect to the consequences of certain phases in the legislation which my hon. friend is anxious we should accept.

May I read one or two significant clauses in the Railway Belt Water Act so that hon. members will see exactly what is being proposed. Subsection 2 of section 5 of the act, which is chapter 211 of the revised statutes of Canada, 1927, reads as follows:

> 2. Subject to the property in and the rights to the use of water referred to in subsection one hereof,
>
> (a) all water without distinction within the railway belt shall, during the pleasure of the governor in council, for the purposes of administration be under the control of the authorities of the province of British Columbia and be administered under and in accordance with the water acts, as if the said acts were enacted by the parliament of Canada subject to the provisions of this act, and the officers and authorities having powers and duties to exercise and perform under the provisions of the water acts shall have the like powers and authority with respect to or in connection with the administration of the said water,

Section 7 of the act reads as follows:

> The governor in council may, at any time, repeal the provisions of section five of this act, by proclamation to be published in the Canada Gazette, and upon the repeal of the said section, the water shall be administered under regulations to be made by the governor in council.

I wish to direct the attention of the house to the fact that this legislation begins and ends with action by the governor in council. If we should accept this act, I do not wish to be told by hon. gentlemen opposite that we are proceeding to govern by orders in

council. They have been condemning us day after day for doing certain things under orders in council and now come along and ask us to accept an act which contains provisions that certain things shall be subject to the action and approval of the governor in council. Let me repeat, if we accept this act, I do not want hon. gentlemen to say, when we act under it, that we are proceeding under orders in council and that instead we should be coming to parliament for some ratification which the act says nothing about.

My hon. friend (Mr. Stewart) has mentioned that at the time this act was passed certain provincial acts for the administration of water-powers within the province were in effect; also that there was a certain area referred to in this particular act, the railway belt, which was under the control of the Dominion government. In so far as the water-powers in that particular area were concerned, this act took them from under the control of the federal government and transferred them to the province of British Columbia to be administered under the water acts of that province. My hon. friend suggests that similar provision should now be made with respect to water-powers in the provinces of Manitoba, Saskatchewan and Alberta. I must direct his attention to the fact that at the present moment those provvinces have no water acts under which they could administer these resources; they will have to legislate in order to give themselves authority to administer these water-powers once they come under their control. That is the reason the Minister of the Interior (Mr. Stewart) instead of the government of Manitoba had to act with regard to the lease of the Seven Sisters falls; the Manitoba government could not take these resources, administer them and give the contract which was necessary as it had not the existent powers required to administer the resources as would have been the case had Manitoba had water acts similar to those which the province of British Columbia had prior to the time this act was passed. In accepting this amendment we must not be asked to tie up the whole development of the western power resources in the interval between this moment and the time at which the provinces pass the necessary legislation in the nature of water acts to give them the power of administration which they will require.

Mr. ADSHEAD: The government will always do it on the request of the governments of the provinces?

Mr. MACKENZIE KING: I was coming to that. In the interval we shall be prepared to do exactly what we are doing now—to proceed in accordance with the wishes of the provinces.

Mr. WOODSWORTH: Then the amendment to the amendment does not mean anything.

Mr. MACKENZIE KING: I am telling my hon. friend what it means. I am not responsible for the amendment to the amendment; I am responsible only for accepting or rejecting it. I am saying, and I have told my hon. friend frankly that the amendment to the amendment in effect does not mean anything more than what we are now doing, but if we were to refuse to accept it we would be told pretty soon that something very plausible and reasonable had been proposed and we had refused to accept it. I do not intend to have the government put in that position. I am going to accept the amendment to the amendment, but in so doing I want it clearly understood what we are accepting.

Mr. CAHAN: In accepting it, will the government not be accepting the principle that hereafter the water-powers in the three western provinces will be granted and developed subject to provincial legislation?

Mr. MACKENZIE KING: Exactly, and that is what we are prepared and anxious to do. That has been our position all along and anything that will help to bring that about more rapidly than any other method, provided it has not some snare or pitfall in it, we are quite prepared to accept.

Mr. CAHAN: May I ask just for the purpose of elucidation: Does it not imply that those water-powers will be administered by the governments of the respective provinces without any interference whatsoever on the part of the parliament of Canada?

Mr. MACKENZIE KING: Just as soon as they pass the legislation. They will have to enact legislation giving them power to administer those resources.

Mr. CAHAN: Does it not imply, therefore, that hereafter the legislatures of the respective provinces will have exclusive power and control instead of the governments of the respective provinces, as is the case now, having control indirectly through their negotiations with the Minister of the Interior?

Mr. MACKENZIE KING: Our intention and purpose would undoubtedly be to get the administration solely under the control of the provinces, so that the provinces will become wholly responsible for it, but the act itself

does not go that far. Let me read the section to my hon. friend, because it is all-important. I read it once before. Section 7 of the present act that we are asked to accept reads:

> The governor in council may, at any time, repeal the provisions of section five of this act, by proclamation to be published in the Canada Gazette, and upon the repeal of the said section, the water shall be administered under regulations to be made by the governor in council.

That is the control the government reserves to itself in case resources were being improperly administered. But it could be used to wipe out the whole thing if the government's policy were—

Mr. CAHAN: But this has remained for seventeen years and each government in succession, Liberal or Conservative or Unionist, has felt that so long as the water-powers were being honestly administered, it was not their duty or function to interfere.

Mr. MACKENZIE KING: Yes.

Mr. ADSHEAD: Is this an application to all the other provinces of clause 6 of the order in council?

Mr. MACKENZIE KING: My hon. friend has the right point. It is an endeavour to put Saskatchewan and Alberta into the position in which Manitoba has already been placed whereby, so far as possible, the will of the governments and legislatures of the respective provinces will be carried out. That is the position. My hon. friend is quite right. The government would not wish to pass legislation of this character unless we were sincere in our desire to let the provinces have full responsibility. The clause which I have just read is, as I gather it, a safeguard by the federal administration to protect against acts which, as my hon. friend has just said, might be questionable in some particular. With the understanding that my hon. friend is not asking us to do more than is possible without prejudicing the rights of the provinces, namely, that before this particular act becomes applicable in the extended way in which it is now requested, before legislation is passed in this parliament to extend its provisions to the three western provinces, and before the three western provinces themselves have enacted legislation which will give them powers of administration, the effect of the suggested legislation shall not become binding on anyone, and that in the interval the water resources of the three western provinces will be administered by the federal government in accordance with the wishes of the provincial governments—with that understanding, I say that we are quite prepared to accept the amendment of my hon. friend opposite. I take it that his amendment is in the main a declaration of principle and I am accepting that principle in the fullest manner in which I believe it is possible for the government to implement it.

Hon. HUGH GUTHRIE (Acting Leader of the Opposition): Mr. Speaker, my right hon. friend (Mr. Mackenzie King) in opening his remarks this afternoon seemed to think that I am in some kind of a dilemma in respect of the amendment I moved in the house last Thursday. I can only say that I do not find myself in any dilemma whatever in regard to that amendment. That amendment was drawn as an amendment to the main motion as it then stood, a motion which I did not approve, as in my judgment it went too far. By that amendment I limited the application of the motion as presented to the house by the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the principle embraced in the amendment I moved is, I am satisfied, absolutely sound.

My right hon. friend is wrong in another surmise, that in some way I, as temporary leader of the Conservative party in the house, have been a party to framing a subamendment in order to get myself out of some dilemma. That is pure surmise on the part of my right hon. friend. I am free to admit this—and under other similar circumstances I would admit it—that at any time a new proposal is presented to me, as it was in this case this afternoon by the hon. member for Vancouver Centre (Mr. Stevens), as one that might meet with the approval of the house, I have no hesitation in saying that I will accept it under those circumstances. Indeed I think it is my duty to do so; and I may add that I had had no prior consultation with the hon. member for Vancouver Centre when he brought this matter to my attention before the meeting of the house this afternoon. I think it is a better proposal than that embodied either in the motion or in my amendment, a more workable one and one that achieves the end we seek in regard to this matter.

What have we overcome? The principle which has been acted upon by the Minister of the Interior (Mr. Stewart) in the instance spoken of most frequently during the course of the debate is in my judgment an improper principle. It may be justified by the law of the country as it stands to-day; nevertheless that law is in my opinion founded upon an improper principle. Why should the Minister of the Interior be permitted on a matter of great public importance to be carrying on, unknown to this parliament, what is a

secret negotiation or arrangement with the government of a province of the Dominion, in breach of a very strong assurance which the minister himself gave to this house on the 6th of June of last year? Our objection is that these negotiations are carried on secretly by one government with another, under the guise of orders in council, and that, in my opinion, is a pernicious principle when any part of the public domain of this country is involved. Our aim was, so far as it was possible, to stop further operations by this government or by any minister of this government in respect to these natural resources which the Dominion still owns and controls. The object sought to be achieved by the subamendment is to allow the legislatures of the three provinces named in the subamendment to have execlusive control of these natural resources when they are transferred to the provinces.

Mr. CANNON: Not the legislatures.

Mr. GUTHRIE: Not the government, but the legislatures of the provinces named, as they are named, in the subamendment.

Mr. CANNON: Is there any section of the Railway Belt Water Act which says "the legislature" of the province? It is the government of the province.

Mr. GUTHRIE: It says the province of British Columbia, and this subamendment expressly mentions the provinces of Manitoba, Saskatchewan and Alberta.

Mr. CANNON: But not the legislatures.

Mr. GUTHRIE: And not the governments.

Mr. CAHAN: Under the water-powers acts, which are legislative enactments of the provinces.

Mr. RYCKMAN: If the Solicitor General (Mr. Cannon) will look at the interpretation clause he will see that it is the board of investigation which has jurisdiction under the waters acts of the provinces.

Mr. GUTHRIE: I submit that if this subamendment carries it will to a very large extent obviate the difficulties which the country has experienced under the former mode of operation. We will have achieved our end in that respect, and I congratulate my right hon. friend the Prime Minister (Mr. Mackenzie King) for the graceful manner in which he has accepted the amendment and got out of the dilemma in which he and his government found themselves, particularly with regard to his supporters in this house from the province of Manitoba.

[Mr. Guthrie.]

Some hon. MEMBERS: Oh, oh.

Mr. GUHRIE: We had the spectacle during this debate on a motion of a private member of four or five rather excited ministerial utterances, a thing that does not very often happen in this house, particularly in regard to a private members' motion. Anyone could see, an observer from the galleries of this chamber could instantly recognize that this government was in a dilemma, as regards not only its supporters from the province of Manitoba, but the great bulk of the people of this Dominion. This government has been rebuked by its own press for the manner in which it has conducted these negotiations. But now that we have given the Prime Minister the opportunity of getting himself out of the dilemma in which some of his ministers have placed him, I think he should tender his full thanks to my hon. friend from Vancouver Centre for having brought up his amendment.

Mr. T. L. CHURCH (Toronto Northwest): I wish to say a few words on the amendment to the amendment. The Prime Minister has made a declaration of policy but what this parliament needs is a bonfire made of the Dominion Water Power Act and to recover control by parliament of this work. There will be no cheap power for the people of this country so long as that act remains in existence. The Prime Minister has burned his bridges behind him. He seems to do everything by fits and starts, and nothing long on this water-power question. The other day when the question of water-powers was being discussed he abandoned as a waif and orphan and outcast the St. Lawrence waterway and the power that is to be developed therefrom. He seems to have a new policy for every hour of the day with something new to promise and employ. As a public-ownership supporter for some thirty years in the province of Ontario, I want to tell you that you are just going around in a circle by all these acts. The Railway Belt Water Act, chapter 211 of the statutes of 1927 relating to British Columbia, has been on the statute books since 1912, but it is not legislative enactments and decisions by the courts that give cheap light and power to the people of this country. It is the men who are behind the enterprise. This parliament has been going around in a circle during this past week with regard to this particular proposition. The original resolution deals with the natural resources, while the amendment deals only with water-powers. The time has come for this parliament to have charge of the granting of these water-powers.

If the Minister of the Interior (Mr. Stewart) has been guilty of an error, it was an error of judgment. Do not let us blame the minister; let us blame parliament. The Dominion Water Powers Act is twenty-five years behind the times. The annual report of the Department of the Interior for the fiscal year ended March 31, 1928, states on page 110:

On January 1, 1928, the total water-wheel and turbine installation throughout the Dominion amounted to 4,777,921 horse-power or only a little more than 11 per cent of the possible development. A very conservative estimate places the capital investment in the generation, transmission, and distribution at $875,000,000, a sum greater than that invested in any other single manufacturing industry in Canada.

An analysis of the utilization of the present installation indicates that

(1) 3,904,678 horse-power, or 81·7 per cent of the total, is installed in central electric stations for general public distribution.

(2) 528,731 horse-power, or 11·1 per cent, is installed in pulp and paper mills which, in addition, use power purchased from the central electric stations to the extent of approximately 775,000 horse-power.

(3) 344,512 horse-power, or 7·2 per cent, is installed in general industrial enterprise for electro-chemical reduction, manufacturing lumber, flour milling and other purposes.

The fact that the high average of 502 horse-power of hydraulic installation is available per 1,000 of population, is significant in an era when the industrial prosperity of a county is so closely linked with the amount of mechanical power available to its workers, and in this regard Canada occupies a most advantageous position amongst the countries of the world.

New installation during 1927 amounted to 221,655 horse-power, or a little less than during 1926. This figure gives no indication of the intense activity in hydro-electric construction during the year which will result in an additional installation of about 378,000 horse-power being completed by midsummer of 1928, whilst other developments upon which construction has begun or is about to begin will, it is anticipated, increase the installation by a further 2,000,000 horse-power by the end of 1930.

It is up to this house and parliament to adopt a new policy with regard to the granting of water-powers. Only eleven per cent of the power Canada possesses is yet developed. Change our policy before it is too late.

The subamendment of the hon. member for Vancouver Centre (Mr. Stevens) is very good as far as it goes. It provides that the prairie provinces shall have light and power laws of their own making after the fashion of the Railway Belt Water Act, 1912. I shall support the amendment on the ground that it means home rule for the western provinces. It will get way from the old policy that has prevailed in the past of the administration of these natural resources by a department of this government. It is the only proper policy to give to the three prairie provinces their water-powers free of all restrictions, and let them lay down a hydro-electric policy of their own along the lines of the Ontario system in conjunction and in partnership with the municipalities. There is no doubt that the Prime Minister has grasped at this subamendment like a drowning man at a straw and has burned his bridges behind him to stem the tide of criticism over the bungle made of the Seven Sisters site.

Might I ask the Prime Minister if it is also proposed to adopt the suggestion of the hon. member for St. Lawrence-St. George (Mr. Cahan) with regard to the Beauharnois project and immediately issue a permit? That project will destroy the whole hydro-electric system in the province of Ontario. The province of Ontario is to get power at the rate of $15 per horse-power, but at the end of the contract the price will be raised sky-high and may be nearer $40 or $50 per horse-power, and while a few dollars may be saved to-day, it will cost the province in years to come many millions of dollars to get a ransom and freedom.

Yesterday the hon. member for North Vancouver (Mr. McRae) characterized the exploitation of water-power sites in the United States as the crime of the century. Undoubtedly he is right. There was a great fight in Los Angeles between conflicting interests over the development of cheap light and power, and the legislature of California was compelled to pass a statute to control the development of water-powers and regulate the earnings and rates of the power companies. That should be done here. The people want the government to lay down a policy. Every session for the past seven years we have had battles in this house on this power question, and I have brought forward the power question in an attempt for seven years to get the government to declare its policy. In 1924 the Hydro-Electric Power Commission of Ontario applied for the right to develop and generate power at Morrisburg, an application similar to that made by the Beauharnois interests, but the government declined to grant the commission license to proceed. The hydro forces were routed in the battle of the Morrisburg dam. In 1927 this government was repulsed on the Ottawa river in what is known as the battle of the Carillon. For six weeks the government did not know whether they were for the Sifton proposal or against it. The government were not only repulsed, they were routed and put to flight in that particular Carillon battle. Last session the government were nearly defeated in what is known as the first battle of the Beauharnois, when the yeas were 54

and the nays 58 on my motion for the six-months' hoist of that proposition. We are looking for another battle along the same lines. Now there has been a fight in Winnipeg, and the Bracken government has capitulated.

The second battle of the Seven Sisters falls and the third battle of the Beauharnois power site will be carried to the polls, because it is the electors who are going to settle these questions. The principle involved will not be settled by the Prime Minister running away from a declaration of policy. This battle will be decided in the polling booths, and the people are going to demand that for all time there shall be a national water-power policy for each province. As far as I can see, the Liberal party has deserted its principles in its treatment of the natural resources of the western provinces. The members of that party must take full responsibility before the electorate for their failure to compel the government to lay down a policy regarding cheap light and power. Where does the Minister of Immigration (Mr. Forke) stand on this question? He is the only cabinet minister from Manitoba. Is he in favour of public ownership in his province? In the last election the party now led by Premier Bracken appealed to the people on a public ownership policy, but they were not twenty-four hours in office before they threw overboard their principles and pledges, and surrendered to the Winnipeg Electric Company. And where does the Minister of Labour (Mr. Heenan) stand on this particular question? After all, cheap light and power means more to the toiler than to anybody else. Both the Minister of Labour and his colleague the Minister of Immigration have yet to be heard from. The Backuses, the Holts, the Gundys, the Joneses, the Sweezeys and the other financial barons can all come down to parliament and get away with the water-powers of the country over parliament's head and many of the people. Why, the hon. gentleman from St. Lawrence-St. George (Mr. Cahan) propose to give some of them the Beauharnois power site.

We are told that this parliament is not concerned, that the government is absolute, and that parliament has no more to do with it than the pyramids of Egypt. Well, whatever may be said in favour of the party system, I think it has not maintained the prestige of this house on this power question. The decay of our influence has been particularly noticeable during the past few weeks. The House of Commons in Canada is becoming not a ruling body, let alone a critical body.

[Mr. Church.]

Ministers who now rule are in reality not ministers of the crown. The rigidity of the party system has marked the decay of the House of Commons. The party that wins a majority obtains automatically absolute control regardless of the wishes of the crown or of the country. As the franchise is more and more extended the party machinery has also been strengthened with the attendant result of the decay of parliament and of parliamentary institutions. In some of the provinces even the opposition in reality exists in name only and we have a one-man legislature, whose word is law and the assembly is powerless. The commission system has also deprived parliament of a lot of its powers and prerogatives mostly for the gain of selfish interests. Canada has just got a new status without the authority or knowledge or consent of the electorate.

The granting of the license to the Winnipeg Electric Company to develop the Seven Sisters water-power site has been justified by those in favour of it, or at least they have attempted to justify its alienation by pointing to the report of Doctor T. H. Hogg. I cannot understand how the Hydro-Electric Commission of Ontario, a public ownership body, released Doctor Hogg for any such purpose. In the olden days every child knew who was the chairman of that commission, but now you have to consult a directory to find out. Sir Adam Beck was the champion of public ownership, and every official of the commission had to follow him. To-day the chairman has slept at his post, and for two or three years past there has been no active support of Sir Adam Beck's policy. The chairman has refused to fight the battles of public ownership, and he let the engineer of the commission, Doctor Hogg, recommend the handing over of the Seven Sisters power site to a private corporation. Let me say to Doctor Hogg that he cannot serve two masters in this Seven Sisters proposition. He is described as Doctor Hogg. Well, the first prescription he issued in Manitoba has about electrocuted the Bracken cabinet, and it may have something to do with the electrocution in the next election of some hon. gentlemen opposite from that province. The west has little to hope for from the Prime Minister regarding a solution of the coal question or the railway question. The government have made a political football of the coal question in the west, they have made a political football of the natural resources of this country, now they are making a political football of

this water-power proposition. I have very little hope of any solution of the question from that quarter.

The amendment is on the principle that if the House of Commons is not to lose its influence as a representative institution no disposition of the natural resources under the control of the federal government shall be effective until ratified by parliament. Only by asserting legislative control over our natural resources will it be possible to prevent their exploitation by powerful monopolies. The present family compact in this regard in my opinion is worse than the family compact of 1837. It may be urged that the terms of the present contracts with these monopolistic power companies are favourable to the consumers of electric current, but I fear when the time comes for those contracts to be renewed such prohibitive rates will be insisted on as will cripple the industrial development of this country, and the labour of generations yet unborn will be adversely affected and mortgaged.

To-day the west instead of being exclusively agricultural is fast becoming an industrial country. The extension of hydraulic power in Manitoba will be a great boon in providing cheap light and power. It is not intended for the city man alone; it is intended for the farmer, the housewife, the toiler, and the worker in every industrial centre. The extension of cheap light and power will serve to retain the rural population, it will assist in the work the good roads movement is doing, and it will help to solve rural economic problems. It is the means to the end of solving the troublesome question of men, money and markets. A low cost of hydraulic power, for city and farmer alike, means better homes, higher standards of living, reduced hours of labour, improved health and happiness, better crops and generally improved conditions. Cheap light and power would bring about a revolution in agriculture and would greatly improve conditions of labour on the farm. It would make for the joy of living on the farm. It would be a genuine boon to the farmer who is now ground down under long hours of strenuous labour, and who is faced periodically with bad times and poor prices. The question of farm relief is uppermost in the United States to-day as well as in this country, and one cannot emphasize too strongly the benefits to be derived from a proper system of hydraulic power when extended by rural lines to the farm at cost.

I have here a table showing what can be accomplished by man-power and machinery to-day in agricultural development. This table is taken from the bulletin of the National City bank of New York for December, 1928, and the facts it discloses are quite illuminating. There is also in the bulletin an article by Professor E. A. Stewart of the State Agricultural college of Minnesota, in which this writer shows what has been done by means of cheap light and power and modern machinery in that great state for the farmers, who are now operating under improved conditions. The article shows the effect of cheap light and power in the matter of economy, improved prices and the solution of the very vexed question of depopulation in rural communities.

The province of Manitoba is to-day in the position which Ontario occupied in 1905. At that time the last concession of 20,000 horsepower in the Niagara river was given away by the Ross government. Sir James Whitney then came in and, with Sir Adam Beck, launched the hydro movement, with the result that 868,000 horse-power are developed on the Niagara river to-day for the use of the people. A similar boon the province of Manitoba could have to-morrow if it adopted a sound hydro policy. What is needed not only in Manitoba but in Saskatchewan and Alberta as well is a proper municipal hydro policy for the development of hydro-electric power along the lines I suggest. But instead of taking steps in that direction this government is content to give away the water-powers of the country to private interests, making millionaires out of some people at the expense of the population at large—and this without the consent of parliament. In this case the government is acting without the consent of the legislature of Manitoba or of this parliament.

I am bound to say that I am very much dissatisfied with the whole policy of this government not only in connection with the Seven Sisters falls but also with respect to the Beauharnois power scheme, the Chicago diversion, and the administration of the Water Powers Act. I contend that a bonfire should be made of the Water Powers Act which is fifty years out of date, and a new policy adopted by parliament, so that the executive should no longer rule but that this parliament should decide upon what terms and conditions leases ought to be granted with respect to these water-powers, which are the property of the people of Canada. There has never been a country on the face of the globe so rich in water-powers as the Dominion of Canada. Yet only 11 per cent of this power is developed, 89 per cent being undeveloped. I say, there was never a country for which

Providence has done so much and man so little; Providence has given us a great heritage, but we are doing nothing to preserve that heritage for the people who are to come.

The Ontario hydro-electric policy, or pattern, I urge, should be extended to the three prairie provinces, giving them home rule in this respect. And this is largely a labour policy. More than that, it is a protectionist policy. But in this regard, as in other respects, hon. gentlemen opposite are free traders; they believe in giving away the property of the Canadian people, as Santa Claus gives away toys from the Christmas tree. They have been giving away to their favourites the water-powers that belong to the people of this country. I repeat, the hydro-electric policy which we have in Ontario is a protection policy. Sir Adam Beck fought the battle of the masses against the classes in Ontario, protecting the masses of the people of that province against their oppressors, the light and power grabbers. He redeemed the province of Ontario from the slavery of high cost light and power, in the real sense of those terms, by giving them cheap light and power and transportation as well at cost. That is what will have to be done in Manitoba, and to-morrow in Saskatchewan and Alberta as well. The Tolmie government out on the Pacific coast has also a great opportunity with regard to cheap light and power if it will only adopt a hydro-electric policy in that great province, which gets so little from this government. It will make for a greater industrial Pacific province. The hope of that province is in the Tolmie administration. They will not be found wanting.

The Minister of Labour (Mr. Heenan) professes to have a great regard for the working man, but he utterly ignores the policy of the Labour people; forgetting their principles, he supports a policy like this, the object of which is merely to hand over to private interests the property of the people of Canada, without let or hindrance. The policy of the government in relation to this matter marks the decline of parliament, and it shows us how badly this country stands in need of a new policy for the development of our water-powers. The Minister of Labour describes himself as a deep sea diver. Well, may I point out to him that the principles of liberalism, about which we hear so much to-day, were long ago dumped on the scrap heap and have now been consigned like McGinty to the bottom of the sea. In the action of the government with reference to the Seven Sisters falls the minister, along with his colleagues, has thrown overboard all the principles of true liberalism and of labour. I ask the Minister of Labour now—he says he is a deep sea diver—to go down to the bottom of the sea and rescue those principles. Let him bring them up from the dark unfathomed caves of ocean and get his party and the government to do something with them.

The Minister of Labour is fond of making addresses in behalf of Labour. What has he done in this great war declared against the rights of the people in the matter of water-powers? Was he lined up with those who were concerned in protecting the working classes in Winnipeg and the farmers of Manitoba when these particular water-powers at the Seven Sisters were handed over, over the heads of the people's representatives? Was he opposing the surrender of these rights to private interests who wish to exploit them for greed and gain?

The people of Manitoba will not be really prosperous until their water-powers are conserved for their own use. The labour man in that province as well as in Ontario and Quebec pays not only the cost of his light and power but also interest on a capitalization of millions of dollars. Now what is the situation with respect to the Beauharnois proposition? The Prime Minister—if he does not run away to-morrow from what he said yesterday—proposes to give the Beauharnois people a permit under the Navigable Waters Protection Act. It has been said, of course, that parliament can intervene, by section 12 of that act, and revoke the permit. I contend that parliament cannot do so. A private bill will have to be introduced, and it will go to the foot of the list for the session after its first reading. When the contract is completed it will cost them tens of millions of dollars, because then the Beauharnois people will raise their rate for direct current. That is what happened in the Niagara district when the "big clean-up" deal was put through; the city of Toronto had to pay $32,000,000 to rescue the citizens of Toronto from the clutches of the privately-owned power companies. In the Financial Post of Toronto, shortly after Sir Adam Beck's death, appeared the following:

> Beck died at the height of a public ownership movement that swept him into a position of power and mastery that no other man in Canada has held. The hydro will likely disintegrate as a single institution into a number of smaller corporations, some publicly, and in time, many privately owned, but all linked in a super-power chain.

Is that what is to become of the investment of $300,000,000 made by the people of Ontario

if they link up with the Beauharnois power movement set out so fully by the hon. member for St. Lawrence-St. George?

Reference has been made to new Ontario; why is it that new Ontario is controlled by private corporations to-day? The reason is that in 1907, 1908 and 1909, Sir Adam Beck and the hydro municipalities wanted Sir James Whitney to bring the joy of cheap light and power to the mining camps of that country, and electrify the Temiskaming and Northern railway, but he did not see fit to do so, with the result that private corporations from the United States gained control of that whole mining country and kept new Ontario back twenty-five years. Instead of our present silver production of about $18,000,000 and gold production of about $16,000,000, together with a very small population, if hydro had gone into that territory we would have a population now of about a half to three-quarters of a million with a gold and silver production of over $100,000,000 a year. Now the Ferguson government has to go into northern Ontario and buy out many of these private companies and pay a huge sum to do so.

Mr. SPEAKER: Order: I cannot hear the hon. gentleman.

Mr. CHURCH: I simply give this as an illustration of what happens when we allow private corporations to control these utilities. That has been the experience of new Ontario; to-morrow it will happen with reference to the Beauharnois development, and the day after to-morrow this will be the result of the Seven Sisters lease. If these privately-owned corporations are allowed to go on in this way, the day will come in the prairies and elsewhere to buy them out, and the people will pay.

The Minister of Public Works has heard the Beauharnois case, but he was not allowed to sit alone; he was provided with two official guardians, one of them being the Minister of the Interior who has handed over the Seven Sisters site to the Winnipeg Electric Company and its friends. No doubt we will hear in a few days that the Beauharnois proposition has been passed over the head of parliament, and there is no use saying parliament can revoke a license once given. As the leader of the opposition pointed out the other night parliament cannot revoke a water-power permit without, as I say, being brought into the exchequer court and forced to pay damages for the loss sustained by the private company as they will have vested rights. Then the argument was advanced that under section 12 of the Navigable Waters Protection Act these licenses can be cancelled. I have a bill under that section ready to introduce as soon as this permit is granted; all I can do is to bring in a bill saying that the order in council is hereby annulled, but that bill will be read a first time and then go to the bottom of the list.

Last session the government were asked to lay on the table of the house all papers in connection with the Beauharnois scheme; that request was repeated this year, but those papers have not yet been brought down and those re the Seven Sisters site only at the beginning of last week. So far as the people of this country are concerned, as the hon. member for East Toronto (Mr. Ryckman) has said, the whole question of water-powers some day or other must be decided by the privy council. That is one court where we can get some decision as to the division of authority as between the federal and provincial governments. As my hon. friend pointed out, before the Supreme Court of Canada, counsel for the Dominion contended there was no water-power in Canada on any navigable stream which the Dominion could not expropriate without paying compensation, and could develop it and sell this power to the people. These questions will have to be decided sooner or later; it has been pointed out already that the questions put to the supreme court were not properly drawn; they should have been framed jointly by the Dominion and the provinces, and in any event this question will have to go eventually to the privy council. There is no use in passing additional legislation; some private company affected by this legislation will take the question to the privy council eventually and you will not make any headway with regard to water-powers until the court of last resort has laid down under the British North America Act what are the separate powers and rights of the Dominion and the provinces. No question is settled until it is settled aright rather than making a football of things to kill time till after the next elections are over.

If the central provinces of Canada do not wish to develop and generate power themselves I think it would be good politics for hon. gentlemen opposite to adopt a national hydro-electric policy on the St. Lawrence from canal works in order to protect the working people in central Canada from paying rates on millions of dollars of invested capital held by private corporations, and sell this power at cost to the two provinces. In my opinion a decision of that kind would be in the public interest, because I have very little faith in anything being done with regard

to the preservation and conservation of these water-powers for the whole people not only in central Canada but in the west as well. We have seen how this works in the United States; the late President Roosevelt pointed out how the water-powers had been frittered away, and he stated that posterity would have to pay millions of dollars to regain them. I think the example of Ontario in the light and power movement should serve as an illustration to the three western provinces. The twenty-five years of cheap light and power which Ontario enjoyed is an example to the other provinces of the Dominion. The only way to learn anything with regard to the light and power situation is from example and not by adopting the mistakes which have been made by some of the older provinces. Some of them have parted with their water-powers in the same way that Santa Claus hands out presents from the Christmas tree. Ontario provides a lesson on the results of a forward hydro policy for the prairie provinces. The net results in Ontario I sum up as follows:

In these paragraphs we have the result of what the Hydro-Electric has done:

1. Every dollar of the $160,000,000 hydro investment is earning interest and sinking fund.
2. Hydro investment saved Ontario from a coal famine that would have bankrupt the province in war time.
3. Hydro investment saved 2,200,000 shareholders over $75,000,000 in reduced coal, light and power bills.
4. Hydro investment saved Ontario over $100,000,000 on coal prices, which would have gone to $30 per ton in war time but for the hydro investment that gave Ontario the equivalent of 3,000,000 tons of United States coal per annum.

That is what was accomplished in Ontario, and we should endeavour to see that the water-powers of the country are preserved for posterity.

The amendment of the acting leader of the opposition is such that the executive or administrative side of the government would no longer have control of the parting with these magnificent water-powers, but parliament should recover the same and conserve them for the people.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 64, respecting Chartered Trust and Executor Company.—Mr. Lawson.

[Mr. Church.]

Bill No. 70, respecting Joliette and Northern Railway Company.—Mr. Ferland.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 17, respecting The Quebec Railway Light and Power Company.—Mr. Parent.

Bill No. 18, to incorporate Canadian Re-Insurance Corporation.—Mr. Mercier (St. Henri).

Bill No. 19, to incorporate The Railway Brotherhood Casualty Insurance Company (and recommending that the title be changed to "An Act to incorporate The Railway Employees' Casualty Insurance Company").—Mr. Mercier (St. Henri).

Bill No. 21, to incorporate The National-Liverpool Insurance Company.—Mr. Guérin.

Bill No. 23, respecting certain patent application of Stanley W. Hayes.—Mr. Jacobs.

Bill No. 35, to incorporate The Ukrainian Greek Orthodox Church of Canada.—Mr. Luchkovich.

WAPITI INSURANCE COMPANY

The house in committee on Bill No. 32, to incorporate the Wapiti Insurance Company—Mr. Thorson—Mr. Johnston in the chair.

Sections 1 to 4 inclusive agreed to.

On section 5—head office.

Mr. CAMPBELL: Is this the old Wawanesa Mutual Insurance Company?

Mr. THORSON: There were two bills introduced by me, one of which is the bill that is now before the committee, and the other a bill to incorporate the Wawanesa Mutual Insurance Company. The latter has been referred to the banking and commerce committee and has not been reported back to the house. This is a different corporation.

Mr. CAMPBELL: There is no connection between the two companies?

Mr. THORSON: A number of the persons named are the same in both companies.

Mr. CAMPBELL: What is the object of having two companies?

Mr. THORSON: I am sure I cannot answer that question.

Mr. CAMPBELL: It seems rather remarkable that there are two companies organized in the one village and by the same men.

Section agreed to.

Sections 6 to 10 inclusive agreed to.

Bill reported, read the third time and passed.

CATELLI MACARONI PRODUCTS CORPORATION LIMITED

The house in committee on Bill No. 29, respecting a certain patent of Catelli Macaroni Products Corporation, Limited—Mr. Mercier (St. Henri)—Mr. Johnston in the chair.

On section 1—Power to commissioner of patents for restoration of patent.

Mr. POULIOT: I have studied this bill carefully, but I do not think the description of the patent is clear enough to satisfy hon. members. I would like to ask the sponsor of the bill if it has to do with spaghetti, macaroni or pork and beans.

Mr. MERCIER (St. Henri): It is for the manufacture of an improved paste. The paste is manufactured with milk. The patent will enable them to make a better paste and put it on the market more cheaply.

Section 1 agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

ESQUIMALT AND NANAIMO RAILWAY COMPANY

Mr. C. H. DICKIE (Nanaimo) moved the second reading of Bill No. 62 respecting the Esquimalt and Nanaimo Railway Company.

Mr. DUNNING: Explain.

Mr. DICKIE: Mr. Speaker, by this bill the Esquimalt and Nanaimo Railway Company seek an extension of time for building a couple of branch lines on Vancouver island. I know of no reason why the bill should not be allowed to proceed. As you know, Sir, these branch lines are built as the requirements of the timber trade demand their construction. In the past there was no particular occasion to build these lines, but today with the increased forestry business of British Columbia they are necessary. The Canadian National Railway system is nowhere near the district to be served by these two lines. In fact, in railway parlance, it may be said to be Canadian Pacific territory. No other railway interest would be prejudiced in any way, and I cannot understand why there would be any objection to granting the extension of time.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish to say a few words on this bill. The hon. member for Nanaimo (Mr. Dickie) in moving the second reading says he does not know any reason why the bill should not be passed. I presume his point of view is merely that of one acting for the company and wishing to get the bill through. The proposed branch lines are some hundred miles away from his district; in fact they are entirely in the western portion of my riding, and he will therefore perhaps pardon me if I take a few minutes to discuss the bill more from the angle of the people of the district affected than that of the company behind it.

I may say that personally I am entirely in favour of the building of these branch railways, and I am quite sure that I speak also for every man and woman in that portion of the district affected. But, sir, when I say we are entirely in favour of the building of the proposed railways, and also entirely in favour of this bill, it is with this proviso, that we be satisfied that the passing of the bill and the building of the branch lines are one and the same thing, and not a means of tying up this country for another five, and possibly another ten, years. The original act was passed in 1919, so the promoters already have had ten years to carry out their plans.

Now, I see one or two points in this bill that I should like to mention. First, it contains no provision for the work to commence within two years of the passing of the bill; simply the promoters are given five years within which to complete the work. That is a departure from the ordinary practice. I have before me Bill No. 41, introduced by the hon. member for Athabaska (Mr. Kellner), and it covers a number of branch lines, some fourteen I think, to be built by the Canadian Pacific Railway Company. I may say that the bill now before us, while ostensibly in the name of the Esquimalt and Nanaimo Railway Company, is really a Canadian Pacific Railway Company bill, as they own the subsidiary company. Bill No. 41 contains a provision that in respect of each branch line, construction must be commenced within two years after the passing of the bill and be completed within five years. This provision is not contained in Bill No. 62 now before us I should certainly like to have some explanation of the omission. I suggest it would give us a good deal more confidence in the genuineness of this application if the bill contained such a provision. The clause is embodied in other Canadian Pacific Railway bills, and at least its spirit is to be found in the Canadian National Railway bills, but their lines have to be completed within three years.

The hon. member for Nanaimo has said that no other railway is likely to go into the territory to be served by these proposed branch lines, the inference being, then why have any hesitation about granting possibly a very lengthy renewal of this charter. But some-

times things move very quickly, and there has been such a rapid development in the west that we do not know what may happen in another ten years. We have seen many railways built by the Canadian National in the last decade that were not even dreamed of before that period. And it is possible that before another five years have elapsed we may see the Canadian National Railway knocking at our doors.

But there is another feature in this connection. I have in my hand the votes and proceedings of the British Columbia legislature for January 29, 1929, and I find there the member for the local district, Mr. Hanna, asking the government what their intentions are with regard to building a highway from Alberni to the west coast of Vancouver island at or near Tofino, which is practically the route covered by this bill. The government reply, as usual, that the project is under consideration; but they also say that they have had a survey made. This I think indicates that the matter is genuinely under the consideration of the British Columbia government. Of course if undertaken the road would be built as a tourist and settlement road, and at a large cost. I think the estimate is something like four hundred thousand dollars, and undoubtedly before the road was finished it would probably cost a great deal more. In these days we are looking towards motor bus transportation, both passenger and freight, and it may be that the provincial government contemplates granting a charter to a bus company to assist the building of the highway. Governments are notoriously anxious and always willing to find excuses for not spending money, and it may be that the government would be glad to say, "We did contemplate genuinely enough building the highway but when we found that the Canadian Pacific Railway, through parliament at Ottawa, undertook to construct a railway on this same route it did not become us to bother about the matter". So that it might actually militate against the success of those who want the road, and we might not get either railway or highway inasmuch as both parties would be waiting, one on the other.

Of course, if the railway is going to go on, the whole ground is wiped from under my feet. I should be glad indeed if that were the case. But I recall what happened in the case of the settlers in the Peace River. They settled, fully expecting—indeed they were promised—that railway transportation would be provided; but it was not and the people were simply starved out. Pitiful tales could be told of what happened to those settlers,

[Mr. Neill.]

and I do not want the same thing to happen in connection with this interior road from Alberni to the west coast. Settlers are not learned in the law and do not understand that a bill which states ostensibly that a road is going to be built does not necessarily guarantee the construction of that road. An hon. gentleman opposite had a similar bill before parliament six years ago. I brought up the same point, that the settlers had been waiting for the railway and were entitled to have it built, and someone observed rather callously, "It is up to the settlers to take care of themselves." But I submit that the settlers are not in a position to take care of themselves. They are told by the colonizing agent in the old country that a road will be built, that the charter has been granted; and they think that the charter means a guarantee of the building of the road. On the strength of this they go into these remote places where there are no transportation facilities, and they are obliged to carry their flour and other stores on their backs. Notwithstanding that they have been promised that a railway will be constructed, and in view of such promise have taken their wives and families into these distant places, nothing is done and they are starved out. I want to avoid that in connection with this railway and to make sure that nothing of the kind will happen here. I do not want settlers to go into this district believing that a railway is to be built if there is no reasonable guarantee of construction.

The second point I wish to discuss in connection with the bill is this: there is no provision for bonds; that is to say, there is nothing providing for the money for the construction of the road. Even the Canadian Pacific Railway Company, wealthy corporation as it is, will not tackle an expenditure of a couple of millions without having provision for bonding privileges. Let me explain the point as well as I can. I am not a lawyer, and it may seem presumptuous for me to raise such a point. But it is not so much a question of law as of fact and common sense, of which even lawyers have not a monopoly. Indeed, one of the most celebrated lawsuits in the old country had its origin in the fact that an able and eminent judge had drawn his own will and made a mess of it. I want to explain how it comes about that there are no bonding privileges. The original act was passed in 1919, being section 83 of the statutes of that date; and section 4 of that act provided for bonding privileges. I need not read it; it provides that the Canadian Pacific Railway Company may issue securities not exceeding $50,000 a mile. That act was

assented to on June 6, 1919. I particularly call attention to the date, June 6, because a good deal hinges upon it. That, I say, was the year 1919. Provision was made to begin construction within two years, completion in five years; the act provides that the privileges granted would lapse if the road were not built within five years after its passage. Now it is a well known point in law that an act is passed and goes into effect only when it is assented to; previously to that it is a bill and may be withdrawn or defeated. Five years from June 6, 1919, would be June 6, 1924. I have no doubt that the company intended to come to the house and obtain a renewal of the charter; and as a matter of fact it did. It came to parliament in 1924. I have the act before me. But they made what I regard as two slips in the drafting of it. First of all, they did not amend the old act, providing that the act should stand, and merely altering the date, which would be in accordance with the custom followed in amending such acts. They did not do that; they simply partially reenacted the measure. They said, "We are going to build the railway," and they re-stated in part the terms of the act. The second mistake was that they forgot to reenact the bonding clause. They put in a clause giving power to build the railway, but they did not reenact section 4 which deals with bonding privileges.

Mr. CAHAN: Is this company owned and controlled by the Canadian Pacific Railway Company?

Mr. NEILL: It is owned and controlled by the Canadian Pacific Railway Company.

Mr. CAHAN: They would not need bonding privileges to build a road like that.

Mr. NEILL: I think they would.

Mr. CAHAN: Why?

Mr. NEILL: They had it in 1919.

Mr. CAHAN: They could build it with their own funds.

Mr. NEILL: But it is not in accordance with the custom. At any rate, they themselves secured the bonding privilege in 1919. If the hon. gentleman says that they carry around a couple of millions loose in their pockets, and if they are satisfied to build it with cash funds, I suppose we have nothing to say. But the point I am making is this: I want to see this road built, and I do not want to have any flaw in the act. I have no doubt that what they intended in the act of 1924 was to revive the old act of 1919, which provided bonding privileges. But owing to the passage of time and the extent to which members talked in those days they did not get the act of 1924 assented to until the 19th day of July of that year, six weeks after the old act had lapsed. And of course you cannot revive an act. You can have it re-enacted. Well, they did re-enact the act but, as I have explained, they failed to re-enact the bonding privilege clause, which consequently is no longer in existence.

Mr. CAHAN: I should doubt it very much.

Mr. NEILL: Possibly it is a point for lawyers to argue, but I am anxious to see that no flaw shall creep into this bill. I do not wish, two or three or five years from now, to have the question asked why the railway has not been built and then be told that there was some slip in the bill and that no bonding privilege was provided. I merely throw out this suggestion, and no doubt the hon. member in charge of the bill will consider the point. I am not offering anything in the nature of destructive criticism.

Another suggestion I wish to submit is this. I see no reason whatever why this railway should not come in the ordinary course under the Railway Act, so far as section 161 is concerned. The Railway Act was intended to consolidate the legislation and provide one standard act, bringing all railway charters within its scope. I do not know why, I have never been told, and I cannot conceive why this company should be made an exception.

Mr. CAHAN: Is that section excepted in the original act?

Mr. NEILL: It is excepted, and it is excepted in this act by a few words at the end of section 1, which provides: "If the said railway lines are not so completed", and so forth. It is held that the insertion of these words vitiates section 161 of the Railway Act. In fact it is so admitted, and a special act always overrides the original. There is no justification for it, and if this provision were left out then the railway would come under the operation of section 161, which provides for the bona fide commencement of the work. Section 121 of the Railway Act prescribes that commencement of construction shall mean the expenditure of 15 per cent of the total cost, or of the bonding privileges, or something to that effect.

Mr. HEAPS: Has any work been started on the railway up to the present time?

Mr. NEILL: Eleven miles have been built under the charter of 1919, but nothing has been built of what is now proposed by the bill.

Mr. HEAPS: But do I understand that nothing has been done under the present act since 1924?

Mr. NEILL: Nothing has been built of what is now proposed, and I ask that these words be omitted, so that the Railway Act as it applies to other railways shall apply there. In that case we should have a guarantee of bona fide construction within two years and completion within five. If they once fulfil the commencement requirements there will be no danger of the road not being completed.

I propose to vote for the second reading of the bill, but I would suggest to the hon. member in charge of it that before the bill comes before the railway committee he get in touch with his principals and make the suggestions I have enumerated. He might suggest beginning the construction in two years; he might call their attention to that question of the bonding privileges which at least is doubtful and which might be easily remedied by inserting a clause in this bill, and also suggest that section 1 be amended.

Hon. HUGH GUTHRIE (Acting Leader of the Opposition): Mr. Speaker, I rise to a point of order. The hon. member who has been discussing this bill has referred in unparliamentary terms, I submit, to the hon. member sponsoring the bill; he has referred to the hon. member's "principals," the company which he represents. I submit that is not parliamentary language and should not be used in connection with any member of the house.

Mr. SPEAKER: No one in this house is deemed to represent private interests. I did not catch the exact words used by the hon. gentleman, but if he did use that expression, "the principals" of the hon. member who is sponsoring the bill, he certainly went beyond the rules of the house.

Mr. NEILL: If that is the only thing worrying the acting leader of the opposition I would cheerfully withdraw the word "principals." I had no idea anyone could take it amiss.

Mr. SPEAKER: No one in this house is deemed to represent private interests.

Mr. NEILL: If I were sponsoring a divorce bill I would not suggest that I had a private interest, or any other kind of interest, in it. Then I would suggest that the hon. member for Nanaimo get in touch with the company whose bill we are discussing and which he introduced. I suggest that if the company whose bill we are discussing had their attention directed to the three things I have mentioned I believe the bill would be improved, because it would give a guarantee of a bona fide desire to build this railway. Under those circumstances no one would be more delighted than I to see the bill passed.

Mr. DICKIE: The hon. gentleman opposing this bill has made quite a little speech.

Mr. NEILL: Order. Is this the committee of the whole?

Mr. DICKIE: I am explaining myself. I can assure the house that the hon. gentleman has made a statement with respect to myself—

Mr. RINFRET: I rise to a point of order.

Mr. SPEAKER: Is the hon. gentleman dealing with a point of privilege or making a personal explanation?

Mr. GUTHRIE: The hon. member moved the second reading of the bill, and now he is replying.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Perhaps before the hon. member exercises his right of reply I might suggest that in the ordinary course of events this bill will be referred to the committe on railways, canals and telegraph lines, and the promoters of the bill will be present on that occasion and I presume can be questioned with regard to the matters raised by the hon. member for Comox-Alberni (Mr. Neill). I have no knowledge of the merits of the various matters which he raises, but in the ordinary course they can be dealt with on that occasion. I simply wished to make this statement before my hon. friend closed the debate.

Mr. SPEAKER: Does any other hon. member wish to speak before the hon. gentleman closes the debate?

Mr. D'ARCY B. PLUNKETT (Victoria, B.C.): Mr. Speaker, since I come from a constituency which is adjacent to this district I wish to make a statement to the house in regard to this bill. The country through which this railway will be built is heavily timbered. Is it likely that a railway company will cut down the timber and lay steel unless it is assured that lumber and the timber will be taken out of this district? A railway is compelled to move slowly in this area. If this bill does not pass and the company is not given the opportunity to construct the line in question it will mean that a great many men will be out of work on Vancouver island, particularly in connection with the lumbering industry. I wish to register my protest against anything which will prevent the construction of that railway, because the result would be to interfere with the interests and the well-being of the working people of Vancouver island.

Mr. DICKIE: I have very little to say except that the hon. member for Comox-Alberni (Mr. Neill) has misrepresented me and also misrepresented the railway in some particulars.

Mr. PARENT: Do I understand that the hon. gentleman is closing the debate? He has already spoken once.

Mr. DICKIE: Yes, I am closing the debate. The hon. member for Comox-Alberni spoke of the Peace River country, but the country through which this railway will pass does not resemble the Peace River country in any way. It is heavily timbered country, and as the demand for logs and lumber becomes greater the line is extended. It is necessary for a railway to look ahead, in order that it may not be held up by charter-mongers who may come in and get a charter and prevent the further development of the line. I am sorry to say that much of the railroad construction on the timbered part of Vancouver island has proceeded too rapidly; they are denuding our lands of the forests much too quickly. This road is for timber purposes altogether, since there is very little inducement for settlers in the district in question. In reply to the hon. member for Comox-Alberni let me say that I was approached only a few days ago and asked if I would sponsor this bill. I said I would be delighted to do so. I presume they should have asked him; I do not know why they did not, but I am the nearest member to that district with the exception of himself, and since I never have had a reputation of baiting corporations for the sake of political effect perhaps is why they approached me instead of the hon. member for Comox-Alberni.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

NATURAL RESOURCES

PROPOSAL THAT DISPOSITION BE EFFECTIVE ONLY ON APPROVAL OF PARLIAMENT

The house resumed consideration of the proposed motion of Mr. Woodsworth:

That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament.

And on the proposed amendment thereto of Mr. Guthrie, and the proposed amendment to the amendment of Mr. Stevens.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): After studying the course of my motion I find I am in somewhat of a quandary to know whether I have been ignominiously defeated or whether, on the other hand, I have achieved a very signal victory. A short time ago I thought the majority of the hon. members of the house were very definitely against the principle contained in my motion, but there seemed to be some black magic connected with the subamendment of the member for Vancouver Centre (Mr. Stevens) for suddenly the atmosphere seems to have cleared and I find everyone in the house quite favourable to my motion as amended. The only difficulty is that as amended I hardly recognize it as mine.

As suggestions were made during the course of the debate that there was something rather sinister in my introducing this motion, I would like to read to the house two planks from the platform on which my colleague from North Winnipeg (Mr. Heaps) and myself were elected to this house. The first plank was as follows:

Regaining for the use of the people of this country the natural resources which have been so recklessly alienated by incompetent or venal administration.

The second plank follows very naturally from the first, and is as follows:

Public ownership and democratic operation of public utilities; and as soon as possible of essential large scale industry.

Our little group has tried to stand consistently for these principles, and when another of the great natural resources was alienated last summer I felt that we had to do what we could to protest against it; hence my motion. As I said before, I gave notice of this motion to the clerk of the house some months ago and I had then of course no idea that a commission would be investigating the situation in Manitoba at the time my motion would be introduced in the house. Notwithstanding what the members of the government have said, I still regard my motion as being quite a sensible one. I admit it has been quite easy to ridicule it by enumerating the details which would be involved in carrying it out. I tried to anticipate objections of that kind by showing that we could handle all these small transactions as we handle so many of the details in the estimates—the minister could lay on the table schedules of the transactions which had taken place in his department during the preceding year. I was not concerned in these small matters, but I believed that in view of the great value of the natural resources of this country the time had come when the water-powers, the lands and the mines should not be in the gift of the administration; their disposal should be sub-

ject to ratification by this house. I believed that when I introduced the resolution, and I believe it still. As I said, I accepted the amendment on the ground that half a loaf is better than no bread at all; if I could not get the land I was willing to take the water, and I suppose if I cannot get the water I will have to take the air. The amendment seemed to offer half a loaf, but I am afraid the subamendment only gives a few crumbs.

There are many things I do not like about the subamendment. In the first place, it excludes important water-powers such as the Beauharnois or other water-powers outside the present provincial boundaries. I prefer the amendment in that it included all water-powers, because I am one of those who see no reason why a development, even though situated entirely in one province, may not be regarded as being for the general advantage of Canada. When the Minister of Railways (Mr. Dunning) was speaking the other day he stated that there was no control by the Dominion government over the upper waters of the Winnipeg river, and I think his statement was corroborated by the Minister of the Interior (Mr. Stewart). I should like to ask the minister (Mr. Dunning) when the legislation declaring those upper waters to be for the general advantage of Canada was repealed. I remember a bill to that effect being introduced in 1922, but it was rejected by the senate; it was introduced in 1923, passed this house and was again rejected by the senate. I have no recollection of such legislation being introduced at a later time, but possibly the minister could give me some information in this regard.

Mr. DUNNING: The hon. member has not stated correctly what I said yesterday. I did not say that the Dominion government controlled the waters of the Winnipeg river east of the borders of Manitoba; I said that the water-powers on the Winnipeg river within the province of Ontario could be alienated or disposed of by the government of Ontario, and I had the authority of the Minister of the Interior for making that statement. I might have taken any other interprovincial river as an illustration, but it happened that this particular river had been under discussion.

Mr. WOODSWORTH: I understood the minister's argument to be that the older provinces had control over their own streams.

Mr. DUNNING: The right to dispose of the water-powers on those streams.

Mr. WOODSWORTH: In the case of the upper reaches of the Winnipeg river which crosses the interprovincial boundary, as I recollect, legislation was placed on the statute books which declared those waters, and the developments on those waters to be for the general advantage of Canada.

Mr. CAHAN: When was that passed?

Mr. WOODSWORTH: I cannot give the year, but an attempt was made to repeal it in 1922 and again in 1923.

Mr. STEWART (Edmonton): It was passed in 1921 and was repealed last year. We never took advantage of that legislation at any time, and we so stated when we asked for this bill.

Mr. CAHAN: As it was doubtful legislation perhaps that was the best procedure to take.

Mr. WOODSWORTH: There is a precedent involved, whether advantage was taken of the legislation or not. It was on the statute books of this country and in the case of interprovincial waters it was declared that their development should be for the general advantage of Canada. I am not quite sure that similar action could not be taken with regard to other developments which are obviously of more than local importance, and I was sorry that the subamendment should exclude great developments outside of the prairie provinces. Further than that, it did not seem to me in reading the resolution first that it was very clear whether the word "province" meant the legislature itself or the government. I am somewhat reassured when I learn that in the case of the railway belt legislation of British Columbia, referred to in the subamendment, it is necessary that there should be definite water acts, and if a similar course were followed in the prairie provinces it would be essential that the various provincial legislatures should pass similar water acts. The only trouble is that even then it might still be possible for the provinces to act under order in council, and that is the very thing that some of us are objecting to. We think water-powers held by the federal government or by the governments of the prairie provinces ought to be disposed of only after the matter has been brought before parliament. So in this I see a weakness in the subamendment.

Mr. STEWART (Edmonton): May I point out to my hon. friend that the matter would undoubtedly arise when the legislation was being put through the legislature?

Mr. WOODSWORTH: It seems to me that the subamendment gives us something more than we have had in the past. In the first place I think it extends to Saskatchewan and Alberta the concessions made to Manitoba,

and these two provinces will come under the same sort of arrangement that now prevails with regard to Manitoba. But as regards Manitoba I cannot see that we shall be in a very different position from what we are in to-day. Pending the formal transfer of the natural resources it would still be quite possible for Manitoba to give away under order in council such water-powers as that of the Seven Sisters.

Mr. STEVENS: Will the hon. gentleman permit me to suggest to him that Manitoba would have to pass legislation before they could administer by order in council? In other words, it is in the hands of the legislature to determine what form their administration shall take.

Mr. WOODSWORTH: Yes, and to that extent I think the adoption of the subamendment would be a distinct advantage and an advance on the present practice, because no doubt when this legislation will be considered, general principles will be discussed and, I fancy, some policy definitely reached.

What, however, disturbs me most is the Prime Minister's interpretation of this subamendment. He suggests that in the meantime matters would go along just about as they are to-day, and until the provincial legislatures meet we might still have this government by order in council giving away other natural resources. As an hon. member suggests, this is perhaps not likely, but it is that very procedure that some of us have so strenuously objected to in connection with the Seven Sisters. All we asked as private members was that the government should refuse to take action until the provincial legislature of Manitoba met. So in this regard it does not seem to me that the subamendment as interpreted by the Prime Minister will altogether remove the objections that some of us have made as to the present method of administering our water-powers.

Mr. STEWART (Edmonton): Both the legislatures of Alberta and Manitoba are still in session and can pass the legislation as we can do this session.

Mr. WOODSWORTH: If those legislatures would do that, undoubtedly it would meet the objections which I have just now voiced. I am somewhat consoled with regard to the whole matter in that after this lengthy debate, after the opinions which have been expressed on all sides of the house and in the newspapers, I really do not think either the federal government or the governments of the three prairie provinces would dare to undertake the kind of thing that was done in connection with the Seven Sisters. To that extent possibly we have made a very considerable advance.

I do not want to go into the general subject that was discussed just before the house rose by the hon. member for Toronto Northwest (Mr. Church), that is, the advantages of public ownership. I would, however, like to say that the advantage of public ownership is what lies behind in my mind all the time in urging parliamentary control. I believe in public ownership and I believe parliamentary control over these resources is at least a safeguard, because we can discuss things in the open, and public sentiment is growing so rapidly with regard to the necessity of public ownership that I think the government would be taking big risks if it defied parliament or the legislative assemblies of the country. After the speech recently delivered by the Premier of Ontario with regard to the dangers to public ownership in the propaganda which was being carried on across this country, I think we can fairly well rest assured that at least none of the western governments or this government would dare to take any course inimical to the principle of public ownership.

I recall a statement made years ago by Robert M. LaFollette in Madison Square Garden, New York, when he compared public and private ownership. He referred to the lighting of the Niagara bridge, half of that bridge being under the jurisdiction of the Dominion authorities and other half being under the jurisdiction of the United States authorities. On the Canadian side we had the Ontario hydro; on the American side the private companies. On the American side the charge for lighting for a certain period was $43 while on the Canadian side it was $8.43. That is, it was five times as much on the American half of the bridge as it was on the Canadian half. The same waters flow underneath the bridge and there are the same possibilities of developing hydro, yet under a public ownership system the cost was only one-fifth of what it was under the privately owned system.

I would refer once more to a warning given out from the United States. I take it that along many of these lines what the United States is to-day, Canada is apt to be tomorrow and therefore we ought to be very careful to avoid some of the dangers into which the United States have come. Governor Pinchot in his message of transmittal, introducing the report of the Grant Power Survey Board of 1925, said:

As Pennsylvania and the nation deal with electric power, so shall we and our descendants

be free men, masters of our own destinies and our own souls, or we shall be the helpless servants of the most widespread, far-reaching and penetrating monopoly ever known. Either we must control electric power, or its masters and owners will control us.

That which is so profoundly true in the United States is equally true in Canada. They have largely lost, at least for a good many years, the opportunities of controlling their great water-powers. We still have the opportunities within our reach, and I hope we shall not fail to take advantage of the opportunities that are still ours. I suppose, since the government accepts the subamendment, it will undoubtedly pass; it will hardly be necessary for any of us to record our votes. I do not see how we could very well vote against it, but it contains only a part of what I had hoped we might be able to secure from the house. I should like to see the principle established with regard, not merely to the water-powers of the three prairie provinces but to all the water-powers in Canada.

Mr. CAHAN: What has this parliament to do with the water-powers in the other provinces of Canada?

Mr. WOODSWORTH: That is a very large order.

Mr. CAHAN: It is a very simple question.

Mr. WOODSWORTH: It is not so simple as the hon. member for St. Lawrence-St. George (Mr. Cahan) may think. I quite frankly admit that in a general way the natural resources belong undoubtedly to the provinces, but I would point out this, that when the British North America Act was drawn up were thinking in terms of the natural resources which were then developed, and we had no idea of some of these new resources which would be developed in the future. The fathers of confederation were thinking in terms of line fences, of surveys, of corner-posts. In the meantime, we have developed our rivers. They had the rivers then, and as soon as they came to talk about those which passed provincial boundaries, there was the recognition even then of the larger concerns involved. As soon as we crossed the provincial boundaries we were compelled to take into consideration the larger considerations. I submit that when it comes to water-powers, we touch interests that are not merely local in their character.

Mr. DUNNING: The fathers of confederation showed considerable foresight in mentioning water-powers specifically in the British North America Act.

[Mr. Woodsworth.]

Mr. WOODSWORTH: There may have been some mention of them; I have not the act here, and I cannot recall the words. But I think even the Minister of Railways (Mr. Dunning) will admit that the water-powers, and all that the water-powers meant sixty years ago, was a very different proposition from what water-powers mean at the present time.

Mr. DUNNING: I only intended to convey that, in relation to the public affairs of that day, the water-powers were important enough in the minds of those dealing with them to justify a specific reference to them in the British North America Act, and, indeed, a specific conveyance to the Dominion of the canals and water-powers formerly owned by the provinces which were uniting. So they must have been considered in relation to Canada as a whole.

Mr. WOODSWORTH: I quite admit that even at that time there were certain powers. Under the British North America Act all the matters of local importance were to be left in the hands of the provinces. But I do not think I misinterpret the spirit of the British North America Act when I say that there was also present the thought of matters that were of general interest to the country at large. But I am not interpreting the British North America Act to-night. I had no idea of going into that question except to suggest that there were certain powers which even under the British North America Act were left to the Dominion of Canada, and in view of the advances which have been made in water-power development I think we may very well consider whether the water-powers on the St. Lawrence are entirely a provincial matter. I do not think that this can be taken for granted as the hon. member for St. Lawrence-St. George seems to consider is the case. I think there is a wider interpretation possible even there.

But there are other powers located outside the organized provinces, and it was all this that I had in view when I said that I had hoped that the general principle would be taken into consideration to-night, and that we would concede that we ought not to deal with matters of this kind without reference to parliament itself. Of course, we cannot tie each provincial legislature; I am not suggesting that, but I would hope, so far as the western provinces are concerned, that they will adopt the principle which we have urged, namely parliamentary control of the disposal of our natural resources.

Mr. HENRI BOURASSA (Labelle): My hon. friend from Winnipeg North Centre (Mr. Woodsworth) in opening his remarks this evening said that he felt himself to be in a quandary. I ought to be in a deeper quandary, for the reason that I have followed very little of this debate. Perhaps, for the same reason, I shall be in a position to give, if not a more intelligent vote, at least one less perturbed by many of the considerations and side issues brought up during this debate. For example, I do not propose, sir, to have anything to do with the Seven Sisters. I still feel too young to come so close to ladies of that character, especially after they have been handled in such a manner by politicians of all parties.

With regard to the three motions before us, it seems to me that my good friend from Winnipeg North Centre has not quite realized the effect of the subamendment proposed by the hon. member for Vancouver Centre (Mr. Stevens); and the government having apparently decided to accept that proposition, I do not think that they, either, have quite realized its bearing. My hon. friend from Winnipeg North Centre has suggested that this proposition should be adopted unanimously. Once more, I feel myself a little more Irish than the Irish: I am both "agin" the government and "agin" the opposition in this matter.

If I understand aright the proposition of the hon. member for Winnipeg North Centre, it is a very simple one, a broad one, and one open to fair discussion. He lays down as a general principle of legislation that none of the natural resources, no part of the domain of the crown as vested in the right of the Dominion, should be disposed of until such disposition is ratified by parliament. That suggests the great and far-reaching principle of the paramount authority of parliament over government. If the subamendment proposed by the hon. member for Vancouver Centre is accepted, we at once divest ourselves of that authority which the hon. member for Winnipeg North Centre wants to strengthen. Besides, we divest this government, and this government consents to be divested, of the powers of administration that have heretofore been vested in them by parliament and by the constitution of Canada. So that, as a matter of fact, the motion of the hon. member for Vancouver Centre is the very negation in principle and in practice of the motion proposed by the hon. member for Winnipeg North Centre.

Mr. CAHAN: Does not the subamendment merely propose to vest the power in the provincial legislatures, which have real jurisdiction over their own rights?

Mr. BOURASSA: If my hon. friend will allow me, I am not preparing to enter into a legal argument with a lawyer of his ability. I am speaking simply as a parliamentarian, with a certain degree of experience, and some knowledge of the principles of parliamentary government. I am not discussing whether the motion or the amendment is right or wrong. I am simply saying that I cannot see how anyone who is in favour of the motion presented by the hon. member for Winnipeg North Centre can be in favour of the motion offered as a substitute by the hon. member for Vancouver Centre, because it seems to me that one is the complete negation in principle and in practice of the other. That is my first point.

My second point is that the subamendment is also very different from the amendment proposed by the acting leader of the opposition (Mr. Guthrie). I leave it to the hon. gentleman and the hon. member for Vancouver Centre to compose their differences of opinion in that respect.

With regard to the hon. member for Vancouver Centre, as he knows, much as I have of personal regard for him, as a parliamentarian I do not quite trust him. This is not the first time that he has succeeded—I compliment him for his ability—in getting this government to renounce its policy in favour of one offered to it by himself. So far as that is concerned he deserves much credit; but I do not think the so-called Liberal government deserves much credit for accepting an amendment offered to it by the hon. member for Vancouver Centre, not because it comes from the hon. member, but because of the manner in which it is presented, and also of what it leads to. I think it is a very weak attitude on the part of the government.

Let us go further. What will be the effect in practice not only as regards the three western provinces, but as regards the whole Dominion of Canada if this motion is accepted?

I leave the legal lights of this chamber to decide whether or not the government has the right to divest itself of these or any powers, held and exercised heretofore under the constitution, and to hand them over to provincial governments. I have been told time and again by the legal officers of the crown, and by eminent barristers as well, that neither the federal government can invest the provincial governments nor can the provincial governments invest the federal government

with any of their respective powers. I simply cite their authority for that statement; I express no opinion upon it.

Now, by this amendment it is proposed to put the three provinces, Manitoba, Alberta and Saskatchewan, in the same position in which the government of British Columbia has been put by a certain piece of legislation which, I confess, I read for the first time ten minutes ago. But remembering the origin of this legislation, I am struck first with one basic difference as to the situation in British Columbia and the situation in the prairie provinces. British Columbia, as we all know, came into confederation as a fully-fledged province, just as the maritime provinces and United Canada had come in. The domain of the crown, including water-powers and everything else, was vested in the crown in right of the province of British Columbia; but by subsequent legislation the province consented to hand over to the federal government a certain piece of land in return for the disbursements made by the federal government under the authority of the federal parliament for the construction of the Canadian Pacific railway. So, when this act of 1912 was passed, the federal parliament was simply handing back to British Columbia a part of the rights which that province had given to the Dominion in 1884. This is entirely different from what we are asked to do now, that is, to prejudice, so to speak, the settlement of that great problem of the handing over to those three provinces the natural resources contained within their territory. To those resources the provinces may have a moral title; but as a matter of fact they never held them under any statute or under the constitution of Canada. So you see, Mr. Speaker, there is already apparent a very deep difference, both in principle, in law and in practice, as between the situation created in British Columbia by the act of 1912 and the situation which we propose to create by a stroke of the pen at the suggestion of the member for Vancouver Centre (Mr. Stevens) to be wielded by his followers, the members of the Liberal government!

Now there is another point which my hon. friend from Winnipeg North Centre made a moment ago. I think it is a very strong point, and we should ponder it a little before we legislate unanimously upon this motion. The point is this. We are called upon to decide that no further disposition—I interject this: of any nature, for any purpose whatever, for any public right or interest whatever—shall be made by the federal authorities. The parliament of Canada, invested by the people with the responsibility of safeguarding the public interest, will now decide, by a stroke of the pen, as to the disposal, for any purpose whatever, of an asset that, as the Prime Minister said the other day, is simply the beginning of a source of industrial and economic strength and prosperity which no man in this house or outside can yet calculate. In order to arrange matters, and to put an end to an annoying debate, we are going to decide to renounce for all time to come, and hand over to the three prairie provinces —with whom this government has not been able to come to terms on the very principle upon which this is based—we are going to dispose, I say, on the spur of the moment, of what may become in the future one of the most valuable assets for the people of those provinces as well as for the people of Canada at large.

Mr. GARLAND (Bow River): May I ask the hon. gentleman a question there? Why would he condemn the people who make up the western provinces to a different handling of their water-power resources from what he now argues on behalf of the province of Quebec?

Mr. BOURASSA: Not at all. Perhaps I did not make myself clear to my hon. friend. I made no mention of Ontario or Quebec.

Mr. GARLAND (Bow River): I just cited Quebec.

Mr. BOURASSA: If my hon. friend will be as patient with me as I am with him when he speaks,—although there is always this difference: he is interesting, I am not—I will explain what I mean. The point I made, first, was that before this parliament settles that big problem—and perhaps this may be a satisfactory answer to my friend—the principle upon which the western provinces are to receive their natural resources should be agreed upon. Ever since I have been in public life I have held the view, and I have expressed it in Quebec and elsewhere, that the people of Manitoba, Alberta and Saskatchewan should be put on the same footing as the people of the other provinces with regard to natural resources or any other question having to do with national or local affairs. I do not want Canada to have "superior" and "inferior" provinces; I want them all to be equal. But has this government the right, under the direction of one member of this house, to dispose of one factor of this problem before the whole problem has been dealt with? From the broad point of view, have they the right to divest themselves of one of their powers of administra-

tion, of which they are not the masters, but which has been confided to them by the people of Canada at large? On the other hand, as shrewd diplomats—and in a matter of this nature it is a question of diplomacy—have they the right to hand over to the party with whom they are negotiating, one of their most valuable assets? Have you ever heard in the world of diplomacy of one government giving away to the other party a part of what it has in its hands, prejudicing thereby a final settlement?

Now, with regard to the rest of Canada,—to my friend from Bow River I repeat, if necessary, that the people of the western provinces should be put on the same footing as the people of the eastern provinces; but I do not agree that in order to please the people of the three prairie provinces we should prejudice either the rights or the situation of the eastern provinces. This is the point to which the hon. member for Winnipeg North Centre has directed attention, and I want to emphasize it. Of course, as he said, the water-powers and all that they are capable of giving to the people of Canada could have been nothing in the imagination of the fathers of confederation, or, to speak of actual facts, those water-powers are comparatively nothing to-day, compared with what they may be twenty-five or fifty years hence. The enormous problem of the control of these resources, for navigation purposes, for industrial purposes, for the preservation of forests by the maintenance of large areas of flooded lands, especially in that vast country extending from Labrador to lake Timiskaming—this whole problem is bound up with this question of water rights and water-powers.

Mr. STEWART (Edmonton): My hon. friend seems to be arguing as though these resources were being turned over to the provinces. Only the administration of them is affected.

Mr. BOURASSA: I will make myself clear. I entirely agree with the hon. member for Winnipeg North Centre that this is too considerable a question to be settled solely in reference to some provision contained in some small corner of the British North America Act passed in 1867 by men of whom perhaps not one knew what water-power was, and who certainly could not foresee what water-powers would be in our day; indeed, we ourselves cannot conceive their possibilities fifty years hence. I say, therefore, whether the question is one of disposal or of administration, that we have no right to prejudice any factor of this great problem. We have no right to lay down the principle that water-powers are any more the property of the provinces than of the Dominion. A classification will have to be made, first, from a technical standpoint and carefully studied, just as the problem of water-powers was studied and solved in Switzerland. for example, to speak of one country I know. There water-powers have been classified, first, from a purely technical point of view, then from the viewpoint of industrial possibilities, and finally handed over, some to the national government, some to the various cantons, and others to the municipalities for local needs. That policy I advocated in the legislature of Quebec twenty years ago, and while it does not make me any younger to refer to the fact, at the same time I feel now, as I felt then, that we have no right to make a gift of these powers either to Sir Herbert Holt or to the International company, as the so-called Liberal but really Tory government of Quebec is doing from week to week and from month to month. We have no right either, we the trustees of the Canadian people, to hand over all that possible wealth to the provinces, either for disposal or even simply for administration. If we vote in favour of the subamendment we commit ourselves in general, unequivocal and unreserved terms to the admission that all water-powers are of provincial interest alone. Whether we commit ourselves by the use of the word "disposal" or the word "administration", I for one, not being a lawyer, refuse to plunge headlong into this matter; I refuse to be crippled within the four corners—if one can speak in terms of dimension in this regard—of one or two words in a particular text. I always endeavour to find out the spirit and the consequence of a principle of legislation or of any determination of this house, and I have tried to read this text with that object in view. If I am right in my interpretation, it means this, that ten or twenty years hence, if this proposal is incorporated in the provincial statutes of the three provinces, if it forms a part of the final agreement with those provinces in relation to their natural resources, we shall have Ontario and Quebec, New Brunswick and Nova Scotia knocking at our door, asking us to renounce all rights and titles we may now have over any water-powers for the general interests of the people of Canada, in order to give these provincial governments the opportunity of handling those resources in the interests of their own people, who after all are but fractions of the nation as a whole, but possibly also to hand them over to a handful of sharks, as has been done in the province of Quebec for the last

twenty years. I am not prepared to associate my name with any such proposal, the consequences of which I foresee.

For the last twenty years I have fought in the province of Quebec against both Liberals and Tories because of the manner in which they have dealt with the public domain of that province. Some of us succeeded after many years in getting the government of that province to do something to preserve the forests of the country; but so far as water-powers are concerned, there has been an orgy of favoritism, which is disquieting not only to thinking people, but to all enlightened men associated with industry and water-power development. I have myself heard this from one of the directors of a large company: "We don't know whither we are going, but we are obliged to take more than we can handle, because if we do not, the government will give it to the other concern." For that reason one large concern grabs all it can of forest reserves and water-powers, the object being to prevent the rival interest from obtaining these resources. That is a pretty clear illustration of what may ensue if we once lay down the principle and, for the sake of a bonne entente between warring parties in this house, thus compromise the future. It may be said that any act we pass now may be repealed. Well, I hope my good friend the Minister of the Interior (Mr. Stewart) will forgive me if I venture to suggest that I have read somewhat more extensively in history than he has, for the simple reason that I have had more leisure. And my reading, not only of Canadian history but of the history of many nations, convinces me that once a government divests itself of a given power it becomes impossible, especially in a so-called democratic electoral country, and more particularly in a confederation, for the central authority to resume control once it has lost it, or to take back anything it has given up. Why? Because the sense of public opinion, if you like, or the opposition of so-called vested interests, or, if you will, the feeling, laudable in itself, of respect for provincial rights, will render it impossible. Let my good friends of the government rest assured of this: If they support this proposal before us, they will never regain what they give up; they will be forced to disgorge everything that belongs to the people of Canada, of whom they are the mandatories and servants. And, what is more, they will be forced to do for the other provinces what they are doing in this connection. That is my deep and serious reason for not accepting the sub-amendment moved by the hon. member for Vancouver Centre (Mr. Stevens).

[Mr. Bourassa.]

With regard to the motion itself, I may say to my good friend the hon. member for Winnipeg North Centre that although I am generally pleased to vote with him I cannot agree with his resolution. It may be good in principle, but a single thought is sufficient to demonstrate that in practice it would handicap the functioning of government. The hon. member for Melfort (Mr. McLean), in a most practical manner, has demonstrated that if this principle of legislation had been adopted twenty years ago there would probably be no population in the western provinces to-day. I have known the western provinces for a longer time than many of those who represent them to-day. I travelled through that country thirty or more years ago, and then as now the people were grumbling against the handicapping of the federal administration; they were grumbling against the Canadian Pacific Railway and its servant, the parliament of Canada; grumbling at the Department of the Interior, the Department of Immigration, the Department of Indian Affairs. And it always came back to this objection: "Those men in Ottawa are too far away to know our problems." That is one of the reasons why I was converted to the idea of handing over the administration of the whole of these lands of the west, long before my good friend from Bow River crossed the ocean to become the excellent and distinguished Canadian he now is.

But precisely because I want the people of the west to deal with what is their own, or what will be their own after this question is settled, not piecemeal but according to principle and practice, I cannot accept the motion of the hon. member for Winnipeg North Centre either in principle or in practice. It is true that governments in this country as in England, the United States, France and elsewhere, have freed themselves of their moral responsibility to parliament; it is true that governments in this country under all regimes have done things behind the back of parliament which they should not have done. I think a couple of years ago I quoted the opinion once expressed by Lecky as to the abnormal authority now monopolized by the cabinet under the British system of government. So, from that point of view, I agree with the hon. member for Winnipeg North Centre; but when it comes to a partition as between broad principles of legislation and matters of management, I must confess that I believe, and always have believed, that democracy and parliamentary government is a failure. Keep control over the principle of new law; keep control over the men who govern the country and punish them if they

do wrong; but give them ample opportunity to administer; because if you force them to come before parliament with every small act of administration; if you force the Minister of the Interior to report to parliament the sale of every section or quarter-section of land in the west or of every bit of forest, while perhaps you may spare the country a few misdeeds—although I am not quite sure that parliament as a whole is much superior to the government as a whole, either in point of morality or in point of competency—you will hamper them to a very large degree.

Mr. WOODSWORTH: Will the hon. member tell us how to get back the Seven Sisters?

Mr. BOURASSA: No. As far as management is concerned I am prepared to trust this government; I would trust hon. gentlemen opposite the moment the people of Canada thought fit, rightly or wrongly, to trust them, and as long as they were the government. So long as these gentlemen are the government I am prepared to trust them broadly in matters of administration. I do not think they should come here, lose their time and make us lose our time, in rendering account for every action taken by every department; but I would hold them hard and fast to the principles of our constitution and to the sound principles of government as they exist in every country. I would see that in connection with every bit of legislation brought down they do their duty by the people of Canada, and then trust them with small matters or even large matters of administration.

For all these reasons, sir, I find myself to be in opposition to the opposition; I find myself to be in opposition to the hon. member for Winnipeg North Centre and in opposition to the government. No, I am mistaken, because if I understand correctly the situation, in this instance the government is the hon. member for Vancouver Centre (Mr. Stevens) and the members and followers of the government are simply voters behind him.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I shall require but a very short time for the few observations I have to make and which I am privileged to make because of the subamendment. The hon. member for Labelle (Mr. Bourassa), in opening his remarks, said he did not want to have anything to do with the Seven Sisters.

Mr. BOURASSA: I will leave them to you; they are in need of a good doctor.

Mr. EDWARDS (Frontenac): I thought, Mr. Speaker, I was to have the floor after the hon. member for Labelle had finished, but evidently the hon. member is not through until he is outside the door. I was about to remark that I was sure those ladies, the Seven Sisters, would very deeply appreciate the reticence of the hon. member for Labelle in leaving them severely alone, and probably if they could be vocal would express their deep gratitude at their escape.

The hon. member for Labelle has paid a high compliment to the hon. member for Vancouver Centre (Mr. Stevens); in the estimation of the hon. gentleman the government is at present on this side of the house in the person of my genial friend from Vancouver Centre.

In the course of the remarks of the Prime Minister (Mr. Mackenzie King) this afternoon I noticed two things in particular: First he spoke about getting some person on this side out of a dilemma, and he immediately followed that remark by the statement that it was his intention and the intention of the government to support the amendment proposed by the hon. member for Vancouver Centre. Such tenderness of heart and such solicitude on the part of the right hon. gentleman for those who sit on this side of the house is extremely rare. There seemed to be a little dispute between the two sides of the house as to who was in a dilemma; on this side certain persons evidently wanted to get the government out of a hole, while the government was equally eager to get those on this side of the house out of a hole. I do not know where it is going to end, but I predict that if this sort of thing continues very long this session will be over long before Easter. I do think, however, from my knowledge of politics, that this throwing of bouquets and this kindness of heart manifested on each side spells danger for the Dominion of Canada.

The hon. member who has just vacated his seat and run out (Mr. Bourassa) said that the province of British Columbia entered into union as a full-fledged province, and in that respect was very different from the prairie provinces. Well, at least that is an admission on his part that the prairie provinces are not full-fledged, or in other words that they are not provinces at all up to the present. I was surprised, and I may say somewhat pleased, to hear the hon. member for Labelle state that he wanted to see the prairie provinces given equality of status with the other provinces of the Dominion. I did not gather that that was his attitude toward the prairie provinces in 1926, from what he said on January 29 of that year; I came to a very different

conclusion then, and I believe the people of Canada came to a different conclusion at that time as to his attitude towards the prairie provinces.

When I rose, Mr. Speaker, I said I did not intend to take up very many minutes of the time of the house, but I should like to refer to some remarks made during the course of this debate by that eminent jurist, that man who some day probably will be Chief Justice of Canada or occupy some other high position on the bench. I refer to the Minister of National Defence (Mr. Ralston).

Mr. POWER: More bouquets.

Mr. EDWARDS (Frontenac): Well, hon. gentlemen opposite can contemplate the bouquet as it is now and then look at it a little later. During the course of his remarks the other day the Minister of National Defence said that he could not, either as a member of the house or as a professional man, agree with the legal opinion expressed by myself. I was not aware that I had expressed any legal opinion. I did quote extensively from those who, I thought, were well qualified to express legal opinions, and if the Minister of National Defence had any confidence in his attainments as a lawyer he would have replied to the arguments I presented rather than directed his remarks to myself personally. I can assure him that he is entirely wrong in saying that I put myself up as the chief justice of the court of constitutional principles. I would not presume to do that because I have not the legal knowledge which would fit me for that position. Even though I had the legal knowledge I would not put myself in the field against the possible attainment of his ambitions for a position which, if he ever gets it, I hope he will fill better than the one he is in now. I desire to direct the attention of the Minister of National Defence to some words he used the other day, and which I was very much surprised to read in Hansard. He said:

> I do not think the western provinces will associate themselves with the contention he made,—

—referring to myself.

> —which was to this effect: It is true that when we came into confedration we got a certain payment in lieu of lands, but we now find that you had no right constitutionally and technically to withhold our lands; therefore we suggest that we should have the money in lieu of lands and the lands too.

Those are the sentiments he credits to me as having expressed in the course of my remarks. He then continued:

[Mr. J. W. Edwards.]

That was the argument of the hon. member for Frontenac-Addington, and I only desire to go on record as stating that I cannot agree with any such contention.

Every hon. member who was present when I introduced my resolution, to which every hon. member agreed including the Minister of National Defence, knows that I never made use of any such words, nor did I make use of any words which by the wildest stretch of imagination could be twisted into the construction placed upon them by the minister. I want to say to the minister that as a minister of the crown it should be beneath his dignity to resort to methods of that kind. The minister has shown a disposition at various times in his political career to be anything but fair and to be absolutely unjust when it comes to dealing with matters in a political way. Apparently it is utterly impossible for the Minister of National Defence to divest himself of his political coat and his extreme partisanship in discussing any question in the house in which he is interested. The minister cannot find in my remarks the sentiments which he placed in my mouth, nor will he find them in the remarks I made in introducing my resolution, and my reason in speaking now is to draw that fact to his attention.

Mr. SPEAKER: With the permission of the house I will read the motion as it would read when amended by the amendment and the amendment to the amendment:

> That, in the opinion of this house, no further disposition of the water-powers, under the control of the federal government in the provinces of Manitoba, Saskatchewan and Alberta shall be made under the Dominion Water Powers Act but the said water-powers shall be administered by the respective provinces under powers to be granted by this parliament similar to the powers granted to the province of British Columbia to administer the water-powers in the railway belt as set forth in the Railway Belt Water Act of 1912, and being chapter 211 of the revised statutes of Canada, 1927.

The question is on the amendment to the amendment. Shall the motion carry? Carried.

Amendment to the amendment (Mr. Stevens) agreed to.

Mr. SPEAKER: Now the question is, shall the amendment as amended by the subamendment be carried?

Mr. BIRD: Before the amendment to the amendment is carried, as seconder to the original motion I should like to make a few remarks.

Mr. SPEAKER: Is the hon. member speaking on the amendment or on the main motion?

Mr. BIRD: I am speaking to the amendment as amended.

Mr. SPEAKER: The amendment to the amendment is carried.

Mr. BIRD: It is immaterial whether I speak to the motion as amended or—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The subamendment amending the motion as amended is carried; the question now is, shall the amendment as amended be carried? The hon. gentleman (Mr. Bird) has already spoken on the amendment.

Mr. BIRD: No, Your Honour.

Mr. SPEAKER: Very well.

Mr. T. W. BIRD (Nelson): Having taken part in the debate as the seconder of the original motion I think I have the right at this stage to make a few comments upon the question which is now before the house. The debate during the last few days has made it abundantly apparent that it is almost impossible to have a question discussed before the house on its merits. The question as presented to the house by the mover of the original motion was very clear, very specific, but no sooner was the motion before the house than the clouds of political animosity and contention began to descend and before the house knew where it was the original motion had been lost sight if. The principle as set forth in the original motion was clean-cut; there was no equivocation of any kind. In my former speech I adhered strictly to the motion before the house, and I endeavoured to impress the house with the first-rate importance of the principle involved, namely, that the wealth of the people as represented in our natural resources could not rightly be disposed of by governor in council without the ratification of parliament.

The debate having gone so far I am more convinced than ever of the value of that proposition. It seems to me when any matter that relates to the interest of the people is advanced on the floor of the house, there is straightway introduced the question of provincial rights, and an abstract discussion ensues which obscures the plain rights of the people to what is theirs. I am not concerned about these abstract rights with regard to which certain members of the house become excited. I do not see how the settlement of this natural resources question is going to put any bread into the mouths of the common people in my constituency. I can see at this stage of the debate that the question of provincial rights has been raised over and over again in order to obscure what I call popular rights. I am not going to be a party to proclaiming the sacredness of provincial rights to the detriment of what I consider to be the only valuable right of the people, that is, their right to the possession of their natural resources or to a say in their disposal. I have heard all I want to hear about provincial rights. There is no nourishment in that dry bone for a single Manitoba farmer or workingman. There may be in it an occasion for mental gymnastics on the part of constitutional lawyers in the house and elsewhere, but when the question has been discussed as many times as it has been in the house, the people of Manitoba, Saskatchewan and Alberta are going to be exactly where they were before, with the Seven Sisters gone, and all the rest of our natural resources will go in the same direction while the representatives of the people are indulging in high-brow discussions in regard to what they call provincial rights. I was not surprised that the debate should take that course, for one has not been in the house a few years without finding that whenever an attempt is made to benefit the people on the lower levels, somebody jumps in, intervenes, with this question of provincial rights, and anything proposed in the house scarcely ever gets to the people except in a maimed and imperfect fashion. I could mention old age pensions, unemployment insurance and many other things which you cannot bring on the floor of the house without somebody intervening with the old gag about provincial rights. It is time that we were finished with this discussion of abstract rights which have no relation whatever to the welfare of the people. What I want to know is how we are going to get the Seven Sisters falls back into the possession of the people of Manitoba. If we cannot do that, I want to know how we are going to prevent the repetition of that sort of thing in our province. I do not want to hear about provincial rights; I want to hear about the rights of the men and women in Manitoba.

I was not surprised that this provincial rights debate should arise in certain quarters of the house, but I was surprised to find it come from the lips of the hon. member for Marquette (Mr. Glen). I was surprised that at a point in the debate when there was an opportunity of carrying a motion that

would have some teeth in it, a motion that would have determined that no more natural resources would be alienated from the people by this house or any house without first the legislature or parliament pronouncing upon it; my hon. friend should come to the rescue saying: "Abstract rights, provincial rights, this sacred thing that has been handed down to us from confederation; that is all I am concerned about. I am not concerned any more about the Seven Sisters; I am not concerned about the actual possession by the people of their own property; I am concerned about this abstract thing, this matter of provincial rights, and therefore I cannot support the motion." I wonder why it is at that juncture my hon. friend should lay aside his plea, because he was just as zealous as any of us a year ago. He and his friends then joined with us in a plea to the Minister of the Interior (Mr. Stewart) that the Seven Sisters should not be relinquished until the matter had been passed upon by the legislature of Manitoba. That is how I like to hear my hon. friend speak and act, because then he is dealing with realities. But during the debate it became apparent, for what reason I do not know, that the government could not accept the motion of the hon. member for Winnipeg North Centre (Mr. Woodsworth). The government has since accepted a motion from the opposition benches. My hon. friend from Marquette felt that he had to support the government at that juncture against the plain, clear-cut statement of principle as embodied in the motion of my hon. friend from Winnipeg North Centre. It is a great pity when the necessities of any group of men in the house compel them to vote against, to reject a principle that they surely are pledged to, that their circumstances demand that they should support.

Mr. GLEN: May I ask the hon. member a question? Did the hon. gentleman himself who introduced the resolution not say that its terms were too wide and that this complaint would be made on the floor of the house?

Mr. BIRD: Yes, but that did not satisfy my hon. friend. When the terms of the resolution were narrowed down, were focussed to a point where one would have thought any member from Manitoba could have supported it, my hon. friend was astute enough to extricate himself from that position also. When the amendment was moved narrowing down the scope of my hon. friend's motion to water-powers, my hon. friend the leader of the Liberal-Progressives was still not satisfied, and we on this side of the house despair of ever satisfying him. If the leader of the Liberal-Progressives had said "I accept this motion which gives parliament control of the people's property," the government itself would have had to accept that motion—

Mr. GLEN: Really?

Mr. BIRD: I am saying that, judging by the theoretical position of my hon. friend. Theoretically, my friends the Liberal-Progressives hold the balance of power in this parliament. Theoretically, they are under obligation to the party to which they are hyphenated. The hon. Minister of the Interior said that he was under special obligation to them, and by the same token I would understand that they are under a similar obligation to the Minister of the Interior. There is no other description of the situation that I can think of. My hon. friend is surely under obligation to the government which he supports and to which he is connected by that hyphen. I am not criticizing that at all; I never have criticized the position of my hon. friend. He surely would not be there in that position if his constituents did not approve of it. I am not criticizing him from that standpoint at all, but surely if my hon. friends the Liberal-Progressives are under obligation to support the government at critical moments, the government itself is also under an obligation to consider my hon. friends when they are under obligation, not only to the people of Manitoba, but to themselves and to their own pledges. So I was somewhat surprised to hear my hon. friend rejecting the principle which the hon. member for Winnipeg North Centre was urging—a time-honoured principle, a clear-cut, unequivocal thing, the principle that we should place the disposal of the natural resources where it ought to be and whence it should never have been taken.

Mr. GLEN: Where is that?

Mr. BIRD: From the control of this parliament, and that is what my hon. friend objects to.

Mr. GLEN: If the legislature of Manitoba agreed to transfer these resources to a private corporation, would the hon. member be prepared to say that they should still come before parliament to have the agreement ratified?

Mr. BIRD: My hon. friend is very good at conundrums.

Mr. GLEN: That is not a conundrum; it is a plain question. Answer it.

Mr. BIRD: In the far-off days when I tried to study logic, I was warned against categorical questions of that kind. My hon. friend ought to know something about elementary logic.

Mr. GLEN: You have not answered the question.

Mr. BIRD: I can answer it, but I am not going to put myself at the disposal of the hon. gentleman every time he wants to ask a funny question. Certainly I am in favour of the legislature of Manitoba controlling its own resources, and so was the hon. gentleman.

Mr. GLEN: And so I said.

Mr. BIRD: But the hon. gentleman has not acted very much like it while this resolution has been before the house. The hon. gentleman's question is capable of more than a direct answer. Certainly I am in favour of the legislature of Manitoba dealing with its own resources. On the other hand, I am not in favour of any legislature disposing of the property of the people.

Mr. GLEN: Is not the amendment a negation of that principle?

Mr. BIRD: Which amendment, the amendment or the subamendment?

Mr. GLEN: The one you are speaking to.

Mr. BIRD: The amendment is certainly not a negation of that, so far as I understand it.

Mr. GLEN: So far as you understand it.

Mr. BIRD: My hon. friend was face to face with a resolution which was as clear as day, and every word spoken in favour of it confirmed that its only aim was to secure for the people of Manitoba the control of their own resources. My hon. friends stood four-square with us until last summer, in demanding that the minister submit the disposal of the Seven Sisters falls to the legislature of Manitoba, but at that meeting, to which I was not invited, but at which evidently my hon. friend was present, as chairman of the Manitoba members, not as chairman of the Liberal-Progressives, my hon. friend evidently changed his mind. At that meeting he came to the conclusion that something had intervened which freed him from his responsbility to the people of Manitoba. He said that there was something more precious, more sacred than the concrete rights of the people of Manitoba. There was this abstract thing, he said, these provincial rights which have precedence; anything that returns to the people of Manitoba the abstract rights concerning their natural resources was worthy of his support, and I am willing, he said, to let the Seven Sisters go in order to get this abstract right. For the bread of power-at-cost, he gives the Manitoba people the stone of monopolistic control. At that moment my hon. friend and his colleagues had it in the hollow of their hands to save the Seven Sisters for the people of Manitoba. I want to bring that home to him. I want to make it clear to the house that the Liberal-Progressives, headed by my hon. friend from Marquette, at that moment in their history had it in their power to save this precious water site for the people of Manitoba, and my hon. friend and his colleagues let that opportunity pass on the plea which he has made in this debate regarding an abstract right. It does not matter whether the abstract right amounts to anything in the way of concrete benefits, it is the abstract right that is the thing to be fought for and maintained, and the lease of the Seven Sisters falls is a bagatelle compared with it.

Mr. GLEN: Mr. Speaker, the hon. gentleman is entirely misrepresenting what I said. What I did say was this—

Some hon. MEMBERS: Order.

Mr. BIRD: Will the hon. gentleman just state wherein I misrepresented him?

Mr. GLEN: If I am given the opportunity.

Mr. BIRD: The hon. gentleman may have the opportunity if he will state briefly wherein I misrepresented him.

Mr. SPEAKER: Order.

Mr. GLEN: Mr. Speaker, the hon. gentleman gives me permission to correct what he has said. I said that the government of the Dominion and the government of Manitoba came to an agreement, that that agreement in my judgment represented the opinion of the government of Manitoba, and that therefore, so far as we federal members were concerned, our opposition would cease and the responsibility should lie with the provincial government.

Mr. BIRD: My hon. friend's explanation is just as clever as his explanation made earlier in the debate. I reaffirm—and I am putting my interpretation upon his own words—that there came a moment in his parliamentary experience when he was confronted with the duty of maintaining the rights of the people of Manitoba to the Seven Sisters falls, and he failed in that duty.

Mr. GLEN: That is your opinion.

Mr. BIRD: It is my opinion, and I am prepared to let it go out to Manitoba as such. The hon. gentleman certainly did not take his stand as he did at first with those of us

who were prepared to bring pressure upon this government to retain the Seven Sisters falls for Manitoba. What I am trying to bring home to him is that for an abstract right, which can have value only to the legal mind, he sacrificed a real concrete right of unbounded value to the people of Manitoba. He was in a position of grave responsibility. I am not attributing any motives to him at all of a detrimental character. I am prepared to leave it as a criticism of his judgment. I am prepared to explain it, and allow it to be explained, by the fact of his association with the government of which he is a part; and I say I am not criticizing that association, because I know the hon. gentleman would not be here in the capacity he is if the people of Marquette had not said so. But I am pointing out the absolute weakness of the position in which the hon. gentleman and his colleagues are placed to-night. One opportunity came along in their political career to save a property of great value to the people of Manitoba; they did not seize that opportunity.

Now, one or two arguments of a similarly fallacious character have been advanced. The Prime Minister in dealing with this subject introduced a well-known device to discredit the argument of my hon. friend from Winnipeg North Centre, that is, he took the principle enunciated by my friend and pressed it to its extremities. That is a well-known device, and I assert, Mr. Speaker, that you could discredit anything under the sun by the same method; you could discredit the Sermon on the Mount or the Ten Commandments for that matter. There is not one valuable provision in our constitution that you could not render absurd by the argument to the absurd. And that is not the kind of argument that I expected to hear from the Prime Minister—a two-edged argument, an argument which, if indulged in without the necessary sense of humour, is apt to react upon the one who uses it, because it is an argument easily seen through. Nobody at any time contends that any principle should be pushed to its logical conclusion no matter how absurd that conclusion may be. Every institution—the British Empire, for instance—is a compromise, something arranged whereby all the details of government may be brought to a focus under the heads of what are outstandingly important. And that is all we wanted in regard to our natural resources. We wanted to make certain that this method of disposing of our natural wealth, a method which has been so disastrous to the rights of the people of Canada, should not be continued. We were asking for a return to the customs and principles that have been maintained in British parliamentary institutions from their very inception. We pointed out the importance of these natural resources now as compared with years ago. But all that was unheeded in this argument to the absurd.

My hon. friends the Minister of Agriculture (Mr. Motherwell) and the Minister of Railways (Mr. Dunning) indulged in another form of argument. They said: Any principle of this kind, no matter how deeply seated in custom, will under present conditions in Canada delay industrial development. I want the house to mark that —"will delay industrial development." I submit the opposite is the case. If the hon. ministers want to delay industrial development in Manitoba, let them go on with this policy of allowing our motive power —the only motive power we have in Manitoba —to drift into the hands of a few big financial organizations. Industrial development in Manitoba is not summed up in a few big overpowering concerns; in Manitoba it is an aggregation of small industries, most of which use power in some form or other. Agriculture is one of the industries in Manitoba; it too requires power. If you want to delay industrial development in Manitoba, just allow our natural resources to drift into the hands of the big interests.

But you say, What about delay? Well, I have noticed, Mr. Speaker, that whenever we are trying to get anything for the people all kinds of checks and balances are brought into play. Anything that we try to get through parliament for the people is delayed—delayed here, delayed in the other place, and a good many times it never arrives; but when you want to take something away from the people, you have got to hurry up, you have got to get it over with before the people have a chance to reflect. If you want to give away the Seven Sisters falls, do not for one moment let it come on the floor of parliament, get the transaction over with before the people have time to reflect. That is how it was done. That is how it is always done. And here we have the hon. Minister of Agriculture saying in effect: Let us advocate methods by which we can get rid of these things as fast as possible. I say if parliament can delay these matters it is thereby doing a great service on behalf of the people; it is thereby allowing the humblest citizen time to consider whether the disposal of property of this value is in his interest or not.

Now my time has gone, but before sitting down I wish to amend the amendment as amended by adding the following words:

And in the opinion of this house such water-powers should not be disposed of until ratified by the legislatures concerned.

Mr. SPEAKER: The question is on the amendment to the amendment as amended.

Mr. DUNNING: May I suggest, Mr. Speaker, that an amendment to the amendment as amended is not relevant; it is not in order. It seems to me that the reference in the subamendment already deals with an act which has for its objective the making operative of certain provincial legislation with respect to certain particular matters. How can you then make operative an act of a legislature and at the same time say that that act of the legislature shall not become operative until it is ratified by the legislature which passes it? The amendment just proposed seems to me to be entirely irrelevant.

Mr. SPEAKER: There is no question concerning the right of the hon. member to move the amendment. Many amendments may be moved to a motion. An amendment may be moved at this stage—

Mr. CANNON: An amendment to what, Mr. Speaker?

Mr. SPEAKER: To an amendment.

Mr. CANNON: The subamendment having been adopted, how can we amend it? I doubt very much whether an amendment can now be moved.

Mr. SPEAKER: It may be moved.

Mr. CANNON: I am not sure about that.

Mr. SPEAKER: Order. First there is a motion by the hon. member for Winnipeg North Centre (Mr. Woodsworth) that the disposal of natural resources shall be subject to the ratification of parliament. To that motion an amendment was moved by the acting leader of the opposition (Mr. Guthrie) to restrict such ratification to water-powers; to which a subamendment was moved this afternoon by the hon. member for Vancouver Centre (Mr. Stevens) to the effect that no further disposal of water-powers—thus embracing the amendment of the acting leader of the opposition—should be made until the passing of an act, operative in the three provinces of the west, similar to that conferring certain powers upon the province of British Columbia. Now the hon. member for Nelson (Mr. Bird) proposes another amendment to the amendment as amended.

Mr. VENIOT: How can we amend the subamendment?

Mr. SPEAKER: Order. The question now is whether or not the hon. member may go further and propose, by way of amendment to the amended amendment, that "in the opinion of this house such water-powers should not be disposed of until ratified by the legislatures concerned." In my opinion the amendment proposed by the hon. member is relevant and in order.

Mr. CANNON: With all due deference, Mr. Speaker—

Mr. GUTHRIE: Are you going to appeal against the ruling?

Mr. CANNON: I should not like to appeal against the ruling, but with all due deference I submit this: When the hon. member for Vancouver Centre moved his amendment this afternoon he summarized the situation in the words "The motion will then read." Then he proposed the amendment, which would make the motion read:

That, in the opinion of this house, no further disposition of the water-powers, under the control of the federal government in the provinces of Manitoba, Saskatchewan and Alberta shall be made under the Dominion Water Powers Act, but the said water-powers shall be administered by the respective provinces under powers to be granted by this parliament similar to the powers granted to the province of British Columbia to administer the water-powers in the railway belt, as set forth in the Railway Belt Water Act, of 1912, and being chapter 211 of the revised statutes of Canada, 1927.

This amendment was adopted by the house. How then can we have further amendments?

Mr. SPEAKER: Bourinot says:

When an amendment has been proposed—

Mr. CANNON: There would be no limit to discussion in the house.

Mr. SPEAKER: Order. Bourinot says:

When an amendment has been proposed, it is competent for any member to move an amendment to the same. In this case the original question is laid aside practically for the time being, and the first amendment becomes, as it were, a substantive question. The Speaker will then submit the three motions in the order in which they are made, and first take the sense of the house on the last: "Is it the pleasure of the house to adopt the amendment to the amendment?" If the amendment is rejected, it is regular to move another (provided, of course, it is different in purport from that already negatived) as soon as the Speaker has again proposed the question: "Is it the pleasure of the house to adopt the amendment to the main motion (or original question)?"

If the amendment be resolved in the affirmative, it will not be competent to move that it be struck out, in whole or in part.

Amendments may, however, be proposed to add words to the main motion, or amendment, as amended.

I rule the amendment, as moved by the hon. member for Nelson, in order.

Mr. J. A. GLEN (Marquette): I regret at this late hour, and after so much discussion of the question concerning Manitoba, to be obliged to rise to my feet, and I would not do so but for the fact that an attack has been made upon me by the hon. member for Nelson (Mr. Bird).

I have endeavoured to explain to the house, as clearly as words can express, the attitude I took along with other members from Manitoba. We signed the resolution, along with the hon. member for Nelson, the first item of it being that this matter should be left to the provincial government of Manitoba if they so decided. If the provincial government of Manitoba had taken it into consideration as we desired we should not be discussing it to-night. What did happen was this. A conference took place between the Dominion government and the province with regard to their natural resources. That is a matter with which we have been dealing for many years past, and I think that the amendment moved in the first instance was an absolute negation of that right of the province of Manitoba, and for that reason I opposed it. When my hon. friend speaks of the meeting in Winnipeg he refers to me as the chairman and the leader of the meeting. I was called there simply as a Manitoba member entitled to be there and to give the viewpoint I had and which I have already expressed in this house.

The hon. member has stated that a principle can be carried too far. I submit to the house that the hon. member for Nelson has carried the principle of public ownership to the point of absurdity. When he speaks of provincial rights as "abstract rights" he is referring to the rights of the people of Manitoba, and they are not abstract. The question which came before us was whether or not the legislature should have the right to dispose of this power site, and most of us agreed that the cabinet of Manitoba, speaking, as they have a right to do, for the legislature of that province, having said that they wished to control the disposal of this site, we of necessity must conform to that wish. Further than that, I was deeply concerned for the province of Manitoba, and I saw in this amendment grave danger to the agreement which had been entered into between that province and the Dominion with regard to the natural resources. I saw that if this proposal were countenanced we might find that the abstract right to which the hon. member referred, that of the people of Manitoba, would be under the control and direction of this house and a Tory senate. That was a tremendous difficulty I saw in the way of voting for the amendment, and for that reason I am opposing it.

I say to the hon. member for Nelson that we have dealt with this matter in the best interests of Manitoba, and we are satisfied that when it is left to the province the legislature will decide properly. The amendment proposed by the hon. member would mean that this parliament would dictate to the legislature of Manitoba what they should do.

Mr. BIRD: I would ask the hon. gentleman to read the amendment.

Mr. GLEN: I read it, and it means that this parliament shall say to the legislature of the province of Manitoba what they shall or shall not do. I think that is a fair interpretation.

Mr. BIRD: Not at all.

Mr. GLEN: I would like to have the vote taken to-night and for that reason I do not propose to occupy any more time. My position is very clear; I contend that the legislature of Manitoba should deal with their own rights and that we, the federal members, should step out of the picture and allow them to do so.

Mr. B. W. FANSHER (East Lambton): Mr. Speaker, it seems that we have been travelling in circles in this matter. It reminds me of the boys who went out 'coon hunting; soon after they started out they got lost and wandered around all night, but in the morning they found themselves back where they had started. It seems to me that the government omnibus has become mired; the Conservative opposition have come along with their struggle buggy and become lodged in the same mire, and this afternoon we had the spectacle of the occupants of both vehicles getting out and helping each other out of the mire.

A few years ago, in 1921, this proposition was considered of sufficient importance for the government of the day to declare it a work for the general advantage of Canada, and I well remember two debates which took place during sessions of the fourteenth parliament, one in 1922 and the other in 1923, when attempts were made to repeal that legislation. It is true that these attempts were passed by this house, but they were turned down by

the senate on both occasions. However, I believe that last year this legislation was repealed; in other words, the government had no sooner divested themselves of the right to claim that this was a work for the general advantage of Canada than they seemed to feel that this power could be given away to a private corporation. I would like to quote a few sentences from the speech made by the then leader of the opposition during the debate of 1923, appearing at page 4166 of the debates of that year:

Hon. members, of course, know that in the provisions of the British North America Act the parliament of Canada has power to declare any works to be for the general advantage of the Dominion, works which presumably theretofore were works over which the provinces had legislative jurisdiction. That power on the part of the parliament of Canada is unrestrained, but in practice is exercised wherever the works are such as affect the people of more than one province, where the works are such that, in the judgment of parliament, federal legislative control is preferable to provincial control.

Further on he said:

I urged then, as I urge now, that these are works that ought to be declared to be works for the general advantage of Canada, because they really are works for the general advantage of Canada. We have declared over and over again a few miles of railway wholly within a province to be a work for the general advantage of Canada. Here are works as respects which the province of Manitoba, though the works are in Ontario, is perhaps even more interested than the latter province. The power assets that the flow of the water constitutes are, to the extent I think of about 80 per cent, in the province of Manitoba, and the future commercial development of Manitoba is dependent upon the just and equitable legislative administration of those works. I repeat what I said a year ago: If there ever were works that ought to be declared works for the general advantage of Canada, that are appropriate for such declaration, these are the very works.

Those were the words of Right Hon. Arthur Meighen at the time this legislation was sought to be repealed. I remember that at that time a number of members from the province of Manitoba strongly supported that stand, and no less a person than the then member for South Winnipeg, Hon. A. B. Hudson, also supported the stand taken by the leader of the opposition. He went even further in stating that these works were for the general advantage of Canada and quoted quite extensively from what had been done in Switzerland in the line of hydro-electric development.

Mr. SPEAKER: May I ask the hon. member to confine himself to the subject matter of the amendment moved by the hon. member for Nelson?

Mr. FANSHER (Lambton): I thank you, sir, for reminding me; perhaps I was getting a little away from the Seven Sisters falls, although this legislation with which I was dealing concerned the control of the lake of the Woods, which is the headwater of these falls.

I was about to say that at that time the then Solicitor General also supported the stand taken by the leader of the opposition, and he made a long speech in this house showing why this legislation should not be repealed and why these water-powers should be declared works for the general advantage of Canada. To my mind this stand was taken because these gentlemen believed that while control was vested in this parliament these waters would not be alienated and given over to a private corporation. Hon. A. B. Hudson made quite extensive observations with regard to this matter. He stated that the property right did not pass upon the control being vested in the parliament of Canada any more than it did in the control of the fisheries by regulation; the possession of the fish did not in that case pass from the provinces.

I was amazed to find that the opposition seemed very anxious to eliminate the Beauharnois scheme from this resolution. We have been discussing a water-power which has been alienated; we have been crying, as it were, over spilt milk, but we are about to give another great water-power to a private corporation in the province of Quebec. I had hoped that the government of the day would give this country a lead in connection with power development, but it seems the government is taking the course of least resistance. The province of Quebec seems to be taking the lead in the development of water-powers by private interests; the government do not wish to gain their ill-will and they are agreeable to allowing the private interests to develop the power. The government of this country should declare that this St. Lawrence waterway should be developed for the general advantage of Canada. This is a waterway which leads into the heart of the country and—

Mr. DUNNING: I rise to a point of order. The hon. member is not discussing the amendment before the house; he is not within a thousand miles of it. The amendment relates to the three provinces of Manitoba, Saskatchewan and Alberta, and the amendment which has been moved by the hon. member for

Nelson (Mr. Bird), to which I apprehend discussion will be confined at this stage, is simply:

That in the opinion of this house such water-powers should not be disposed of until ratified by the legislatures concerned.

Your Honour ruled a few moments ago that the discussion must be relevant to the subject now before the house, which is confined to Manitoba, Saskatchewan and Alberta and the particular method of dealing with the resources in those provinces.

Mr. SPEAKER: The rule is that a member speaking on a bill as amended may speak on each amendment, but he must confine his remarks to the subject matter of that amendment; otherwise there would be no end to the debate.

Mr. CANNON: I rise to another point of order. The amendment which is now under discussion, moved by the hon. member for Nelson, has been introduced by the seconder of the original motion.

Mr. SPEAKER: The present question is the amendment as amended; it is a different question altogether.

Mr. CANNON: Can the hon. member amend his own original motion?

Mr. SPEAKER: He is not amending his own original motion, as it has been amended already, it becomes a new question.

Mr. FANSHER: (Lambton): I did not realize I was out of order because this Beauharnois proposition has been discussed before. However, if I am limited to the specific terms of the amendment I will try to confine what I have to say to it.

As I understand the amendment now before the house, it is simply that whatever decision is arrived at by the legislatures of the provinces concerned, the Dominion government will turn over the water-powers to the respective provinces. It seems to me that the people's representatives in the various provinces should have an opportunity of passing upon these proposals. Water-powers are one of our most valuable resources and we can scarcely estimate their worth to the provinces or to the Dominion as a whole. It does seem a pity to think that we might have a repetition of what has taken place in the province of Manitoba in connection with the Seven Sisters falls, and the government—

[Mr. Dunning.]

Mr. CANNON: I rise to a point of order. I understand the subamendment has been adopted. That subamendment contains a principle, and I would refer Your Honour to No. 413 of Beauchesne's Parliamentary Rules and Forms:

No amendment shall call in question a principle on which the house has given a decision by its vote on a former amendment.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, March 6, 1929

The house met at three o'clock.

REPORTS OF COMMITTEES

Second report of the select standing committee on railways, canals, and telegraph lines. —Mr. Cahill.

Second report of the select standing committee on banking and commerce.—Mr. Hay.

OFFICIAL REPORT OF DEBATES

Mr. E. J. YOUNG (Weyburn) presented the first report of the select standing committee to supervise the official report of the debates, as follows:

The select standing committee to supervise the official report of the debates beg leave to present the following as their first report:

Your committee have had under consideration the report of the said committee, presented to the house on June 30th, 1924, for the purpose of re-considering some of the recommendations contained therein, which were presented to the house and concurred in at that time.

Your committee have become impressed with the view that senators should be supplied with a limited number of copies of House of Commons Hansard for distribution by the King's Printer in accordance with mailing lists provided by senators. At the present time honourable members of the senate are supplied with filing copies only, and frequent requests having been received from senators for additional copies to send out, the advisability of considering the matter has became increasingly evident.

Your committee therefore recommend that two copies of House of Commons Hansard, in addition to filing copies now delivered, be supplied for the mailing lists of senators and sent out by the King's Printer to such names and addresses as shall be forwarded to the Editor of Debates, House of Commons.

Your committee have also had under consideration the advisability of increasing the number of Hansards supplied to the members of the House of Commons. After careful consideration of the matter your committee beg leave to recommend that the present number of ten copies, four of which are delivered for the files and six for mailing purposes, be increased to twelve copies, two of which shall be for the files and ten copies and no more for distribu-

tion by the King's Printer in accordance with names and addresses supplied by members of the House of Commons to the Editor of Debates, House of Commons.

Your committee further recommend that the quorum of the said committee be reduced from the present number of seven to five. The total membership of the committee being but twelve it is found very difficult when other committees are functioning to secure a sufficient attendance to constitute a quorum at the number now fixed.

Mr. YOUNG (Weyburn) moved that the first report of the select standing committee to supervise the official report of the debates be concurred in.

Mr. SPEAKER: The motion requires unanimous consent.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HOUSE OF COMMONS STATIONERY

Mr. CHURCH:

1. Why are the lead pencils, pen holders, ink, pens, keys of desks, keys of offices, keys to members' post office boxes, and other forms of stationery furnished on members' desks in the house, made and purchased in the United States of America, including the atlas of Canada of the Immigration and Interior departments?

2. How long will this policy continue?

3. Will stationery made in Canada or the British Empire be substituted therefor, and when?

Mr. RINFRET:

1. The mass of stationery supplies furnished to the houses of parliament and the government departments is of Canadian manufacture. Goods of foreign make are, as the regulations require, supplied only when Canadian or British made articles of the type desired are not procurable at approximately equal prices. A few lines of supplies such as pens, lead pencils, penholders, typewriters, calculating machines, etc., are not manufactured in Canada, and some are not so far as known manufactured in the British empire. For several years pens not of British make only have been purchased for stock; any pens not of British make supplied in recent years would be on special order or to exhaust remainders of old stocks. Lead pencils of British make are stocked, but certain makes of foreign pencils are still demanded by customer departments in some cases. Penholders of British make are stocked, but most departments prefer penholders of United States manufacture, which are offered in a greater variety. Ink of Canadian manufacture only is supplied save to meet some positive demand for other goods. Typewriters and calculating machines of British make are not known.

Keys for desks are supplied with desks when purchased. Keys for offices are furnished under contract for the building, and keys for the post office boxes are supplied under contract for boxes. If any additional keys are required they are cut in Ottawa, in the Public works workshop, from blanks which are generally purchased in Canada.

The atlas of the Immigration and Colonization department is being published in Canada since the fiscal year 1924-25.

As far as the Interior department is concerned the only atlas published by the department in the last ten years is the animated atlas of Canada, which was published in Canada.

2. and 3. Answered by No. 1.

EDMUND RYDER

Mr. BELL (West Hamilton):

1. How many months' leave of absence through illness or otherwise, with full pay, did Edmund Ryder, Superintendent of Stationery, receive following April 1st, 1928?

2. On what date did the said Edmund Ryder resume his official duties in the stationery branch after absence?

3. What correspondence is there between the Auditor General and the King's Printer dealing with the shortages in tracing linen, and other irregularities in respect of the stationery branch stock, and how soon will the minister undertake to produce that correspondence in the house for inspection?

4. What correspondence is there in possession of the King's Printer, with the Civil Service Commission, relative to an increase in the salary of the Superintendent of Stationery, and how soon will the minister undertake to produce that correspondence in the house for inspection?

Mr. RINFRET:

1. Sick leave with pay: April 1st to September 27th, 1928, January 31st, 1929, a.m.; a total of 5 months 27½ days.

Annual vacation: December 22nd, 1928 and January 2nd, 1929, a.m.—1½ days.

2. September 28th, 1928.

3. Communications have been received from time to time from the Auditor General giving the result of his annual or more frequent audit

of the various stores of the Department, the reports containing comments on the principal features of the audit, enumerating the respective shortages and overages, and recommending changes in procedure which might lessen these differences, and there have been replies to these communications. The correspondence involved will be produced when ordered.

4. There has been no correspondence relating specially to the matter of salary increase in the case of the Superintendent of Stationery, but in January 1927 that officer was included in a list (comprising all the principal administrative officers) which was placed before the Civil Service Commission with the request that a general review of the same might be made with respect to the matter of compensation; in the case of the Superintendent of Stationery and certain other officers the decision of the commission has not been received. Various communications on the subject have passed, and the correspondence will be produced when ordered.

HALTON COUNTY CUSTOMS OFFICE

Mr. ANDERSON (Halton):

1. What amount was collected in each customs office in the county of Halton, during each of the years 1927 and 1928?

2. What is the expense of each office, including the salary of the official, during the same years, respectively?

3. What is the name of the customs official in Streetsville, Peel county, Ontario, and the amount collected in that office during the years 1927 and 1928, respectively?

4. What salary does the customs official of Streetsville receive and what was the total expense of his office during each of the years 1927 and 1928?

5. What part of the receipts from this office were collected on goods entering the county of Halton, during the years 1927 and 1928, respectively?

Mr. EULER:

1.

	1927-28	1928-29 (11 mos.)
Acton		
Customs duties	$39,171 92	$30,320 38
Excise taxes	11,346 32	8,172 30
	$50,518 24	$38,492 68
Burlington		
Customs duties	$19,997 01	$18,269 36
Excise taxes	10,611 38	7,919 93
	$30,608 39	$26,189 29
Georgetown		
Customs duties	$42,382 04	$40,244 06
Excise taxes	17,434 51	13,212 16
	$59,816 55	$53,456 22
Milton West P.O.		
Customs duties	$ 13 39	$ 32 08
Excise taxes	2 68	4 65
	$ 16 07	$ 36 73
Oakville		
Customs duties	$23,147 88	$23,968 89
Excise taxes	27,254 07	20,459 21
	$50,401 95	$44,428 10

2.

Acton		
Salaries	$ 1,740 00	$ 1,595 00
Contingencies	94 70	88 05
	$ 1,834 70	$ 1,683 05
Burlington		
Salaries	$ 1,380 00	$ 1,370 00
Contingencies	408 61	352 77
	$ 1,788 61	$ 1,722 77
Georgetown		
Salaries	$ 1,740 00	$ 1,595 00
Contingencies	410 15	357 85
	$ 2,150 15	$ 1,952 85
Milton West		
Salaries	nil	nil
Contingencies	nil	4 64
	nil	$ 4 64
Oakville		
Salaries	$ 1,740 00	$ 1,595 00
Contingencies	342 53	430 22
	$ 2,082 53	$ 2,025 22

3. D. V. Reed, subcollector of Customs and Excise grade 1 outport.

	1927-28	1928-29 (11 mos.)
Streetsville		
Customs duties	$20,694 40	$32,795 23
Excise taxes	4,555 41	4,370 19
	$25,249 81	$37,165 42

4. $1,740.

Streetsville		
Salaries	$ 1,740 00	$ 1,595 00
Contingencies	600 96	494 39
	$ 2,340 96	$ 2.089 39

5. Information not available.

CANADIAN REGULAR ARMY

Mr. HOCKEN:

1. What is the total number of non-commissioned officers and men in the Canadian regular army?

2. How many of them are French Canadians?

3. What is the number of lieutenants, captains, majors and colonels?
4. How many of each rank are French Canadians?

Mr. RALSTON:

1. Total warrant officers, non-commissioned officers and men on the 31st January, 1929, 2,905.
2. No record, except that all are British subjects.
3. Lieutenants, 95; captains, 140; majors, 100; colonels, 63.
4. No record, except that all are British subjects.

GRANTS TO FAIRS

Mr. ROSS (Kingston):

What fairs associations or clubs in the province of Ontario have received grants and allowances from the Department of Agriculture of the Dominion of Canada during the year 1928?

Mr. MOTHERWELL:

Grants to summer fairs: Western Fair, London, Ontario; Central Canada Exhibition, Ottawa; Canadian National Exhibition, Toronto; Peterboro Industrial Exhibition.

Grants to winter fairs: Ottawa Winter Fair; Royal Agricultural Winter Fair, Toronto; Ontario Provincial Winter Fair, Guelph.

Grants to heifer club fairs: Slate River Valley Holstein Club; Peterboro Boys' and Girls' Club; Wilmot Jersey Heifer Club; Galt Holstein Heifer Club; Halton Holstein Heifer Club.

Grants to bacon hog fairs: Campbellford, Orono, Ilderton, Simcoe, Caledon East, Kemptville, Almonte.

Grants to market lamb fairs: Emo, Middleville, Little Current, Manitowaning, Havelock, Franktown.

Grants to boys' and girls' sheep club fairs: Appin, Deleware, Sylvan, Thorndale, Kamoka, Ashfield, Maitland, Inter Club Fair at London, Warsaw, Indian River.

Note: The question has been interpreted as applicable only to grants to fair associations and club fairs. Accordingly, clubs where no fairs are held, as for instance, "stallion clubs," are not listed.

IMMIGRANTS UNDER AGE OF TWENTY-ONE

Sir GEORGE PERLEY:

1. What number of immigrants under twenty-one years of age, (a) males, (b) females, came into Canada during the last year from the British Isles?
2. Can the department say how many of these were between fourteen and twenty-one years of age?

Mr. FORKE:

1 and 2. The immigration compilations do not show the number of immigrants from the British isles under twenty-one years of age. They show the number under eighteen years of age who came to Canada during the fiscal year 1927-28 as 14,523, of whom 8,479 were males and 6,044 were females. The total immigration from the British isles was 51,552. It is impossible to show from the statistics the number between fourteen and twenty-one.

STEAMER LARCH

Mr. IRVINE:

1. From whom was the steamer Larch chartered for service in connection with the Hudson strait expedition during the season of 1928?
2. What is the tonnage of the said steamer?
3. What was the rate of hire paid for the said steamer Larch while under charter?
4. What quantity of coal was loaded on said steamer before proceeding on the outward voyage to Hudson strait?
5. Where was the coal loaded on the said steamer?
6. What was the price per ton paid for the said coal?
7. For what purpose was the said coal purchased?
8. When did the said steamer Larch reach Halifax on the return voyage from Hudson strait?
9. How much of the said coal was on board when the steamer Larch arrived at Halifax from Hudson strait?
10. What disposition was made of the coal so returned?

Mr. RINFRET (for Mr. Cardin):

1. Messrs. Farquhar & Co. Limited, Halifax, N.S.
2. 5,870 tons dead weight carrying capacity, 2,261 tons net—3,564 tons gross.
3. $350 per day. Department furnishing bunker coal only. Owners finding crew, provisions, deck and engine room stores and insuring ship.
4. 3,603 tons.
5. Sydney, N.S., with the exception of 70 tons loaded at Halifax, N.S.
6. Six dollars per ton trimmed on board.
7. To supply bunker fuel for the C.G.S. Montcalm and the SS. Larch while these vessels employed in Hudson strait. The additional quantity was sent to guard against shortage of coal in the event that any casualty should happen that would detain either vessel in the strait.
8. October 24, at 4.45 p.m.
9. Fifteen hundred and eleven tons.
10. 619 tons discharged at marine agency wharf at Dartmouth and supplied to Dominion steamers and agency as required for which department received credit at the rate of $7 per ton. There was no room on the agency wharf to store the balance and after obtaining several offers for the purchase of the remaining 892 tons, the highest received, that from Messrs. O'Leary, of Halifax, for $5.25 per ton was accepted.

DRUG TRAFFIC CONVICTIONS

Mr. McGIBBON:

1. How many persons were convicted last year of illegally selling any of the drugs, opium, morphine, cocaine or any of their derivatives?
2. How many of these were, (a) medical men; (b) veterinary surgeons; (c) dentists; (d) druggists, and what were their respective nationalities?
3. How many were convicted for illegally bringing same into Canada, and what were their occupations?
4. How many drug addicts were known in Canada during the year, 1928?

Mr. KING (Kootenay):

1. In the judicial year ending September 30, 1928, 61. In addition 129 were convicted of illegal possession, many of whom were known to be traffickers. There were also 163 convictions reported by the Bureau of Statistics as "breaches of act not otherwise defined" which very probably includes some cases in that category.

2. (a) 7: English Canadians, 5; French Canadians, 1; Jewish, 1.

(b) 2: English Canadians, 2.

(c) 1: English Canadians, 1.

(d) None.

3. Nine persons were convicted of "possession" under circumstances which went to show that the drugs were brought into Canada by them: ship's fitter, 1; ship's firemen, 2; ship's greaser, 1; ship's second engineer, 1; ship's clerk, 1; ship's chief stewards, 2; merchant, 1.

4. It is estimated that there are 8,000 persons in Canada addicted to the use of narcotics.

IMMIGRATION OF MINERS

Mr. BOULANGER:

1. What was the outlay on the part of the government of Canada in connection with the miners brought to Canada from England last summer, described on page 428 of Hansard as "cooperation in placing them at harvest work"?

Mr. FORKE:

1. The department used its existing organization to place at harvest work such of the harvesters as applied to the department for that purpose. The main part of the distribution work was done by the railways. The staff of the Department of Immigration and Colonization was not increased in any way to look after this work.

OAKVILLE AND BRONTE HARBOURS

Mr. ANDERSON (Halton):

1. What amount was expended on the wharf and harbour at Oakville during the years 1919 to 1928, inclusive?
2. Was the work done by contract and, if so, give the name and address of the contractor in each year?

[Mr. Rinfret.]

3. Was local labour employed and, if so, to what number in each year?
4. If the work was not done by contract in any year, how was it done?
5. Give an answer to the same queries in regard to the wharf and harbour at Bronte?

Mr. ELLIOTT:

1. $64,577.80.

2 and 3. (a) By contract and day labour; (b) In 1920-21 work done under contract by the C. S. Boone Dredging & Construction Company, Limited of Toronto. In 1927-28 and 1928-29 work done under agreement by the Russell Construction Company of Toronto. No information as to whether the employees of the contractors were residents of the locality or not.

4. By day labour.

5. $19,555.46, all the work being done by day labour.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RAW LEAF TOBACCO

Mr. GOTT:

1. How much raw leaf tobacco was imported from the United States during the year 1928?
2. What is the present rate of duty per pound: (a) stemmed; (b) unstemmed?
3. How much tobacco was exported from Canada during the year 1928 to: (a) Great Britain; (b) other countries?
4. What is the present rate of duty on tobacco: (a) all grades; (b) raw and manufactured, entering Canada?
5. What grades of tobacco were imported during the past year?
6. How many pounds of each?
7. How many pounds of tobacco were produced in Canada during the years 1924, 1925, 1926, 1927 and 1928?
8. How many pounds of tobacco were exported during each of the afore-mentioned years?
9. How many pounds of tobacco were imported during each of the afore-mentioned years?

HEALTH OF ANIMALS—TUBERCULIN TEST

Mr. ANDERSON (Halton):

1. What was the total amount paid in compensation in the province of Ontario for animals slaughtered under the Animals Contagious Disease Act, termed "The Health of Animals", in each of the years ending March 31, 1924, 1925, 1926, 1927, and 1928?
2. What amount of compensation was paid for cattle slaughtered as reactors to the TB test for tuberculosis in each year mentioned?
3. What amount was paid as compensation for pure-bred registered cattle, and average payment per head; also same for grade cattle?
4. What was the total amount paid in each year in salaries, wages and travelling expenses to officials of the Department of Agriculture in connection with the administration of the TB test for cattle in each year in the province of Ontario, and also in each year for the dominion?

UNOPPOSED MOTIONS FOR PAPERS

EXTRA TERRITORIALITY OF DOMINION STATUTES

Mr. GARLAND (Bow River):

For a copy of all letters, telegrams, correspondence and/or documents of any character passing between the government of Canada and the government of Great Britain or any department thereof, in regard to the following resolutions, which passed both the Senate and the House of Commons of Canada:—

1. The resolution passed in 1920 which reads as follows: "Any enactment by the parliament of Canada otherwise within the legislative authority of that parliament shall operate and be deemed to have operated extra territorially according to its intention in like manner and to the same extent as if enacted by the parliament of the United Kingdom."

2. The resolution passed in 1924, which reads as follows: "Any enactment intra vires of the parliament of Canada if expressed to operate extra territorially shall be deemed to have had that operation in so far as it is a law for or ancillary to the peace, order and good government of Canada."

BURLINGTON POSTMASTERSHIP

Mr. ANDERSON (Halton):

For a copy of all correspondence, letters, telegrams, reports and other documents in connection with the appointment of a postmaster for the town of Burlington.

PENSIONS AND NATIONAL HEALTH AND BOARD OF PENSION COMMISSIONERS

Mr. RENNIE:

For a copy of all correspondence, memoranda, and other documents exchanged between the Minister of the Department of Pensions and National Health, or any official of his department, and the Board of Pension Commissioners of Canada or any official thereof, relating to matters of administration, finance statistics, or files, since June, 1928, to the present date.

PRIVILEGE—MR. GLEN

On the orders of the day:

Mr. J. A. GLEN (Marquette): Mr. Speaker, I rise to a question of privilege. I find on page 707 of Hansard of March 5 the following statement made by the hon. member for Nelson (Mr. Bird):

> He said that there was something more precious, more sacred than the concrete rights of the people of Manitoba. There was this abstract thing, he said, these provincial rights which have precedence; anything that returns to the people of Manitoba the abstract rights concerning their natural resources was worthy of his support, and I am willing, he said, to let the Seven Sisters go in order to get this abstract right.

Throughout the whole of that statement the hon. member is referring to me. I recall that when he was seconding the resolution which has been before the house for four days he took very high ground with regard to the ideals of public life. I do think those ideals ought to carry with them some recognition of accuracy and veracity of statement. It will be noticed that this quotation from the hon. member's speech is not based on hearsay; it is a categorical statement of something which he alleges I said.

Now, Mr. Speaker, the other night when the Minister of Railways (Mr. Dunning) used the word "lie" you ruled that it was not a proper expression. I therefore refrain from using that word, but I do say that at no time have I ever stated to the hon. member for Nelson or to any other member of this house the words which I have just read from his speech, or any words which even the most vivid imagination could construe as such. I assert that the hon. member has given a statement to this house so contrary to every word I used, and so contrary to the spirit that actuated me throughout the whole matter, that I can only characterize it as being as false as sin.

Mr. T. W. BIRD (Nelson): Mr. Speaker, may I explain that the hon. gentleman is under a misapprehension. A reference to Hansard will confirm this. The words he has repeated to the house were not given by me as a quotation at all, and the Hansard reporter so dealt with them. Those words were never meant to be a literal representation of what the hon. gentleman said. They appear in Hansard, not in quotation marks, but in the same type as the rest of my speech, which makes it abundantly clear that I was giving my interpretation of what he said. So I do not think the hon. gentleman has any real occasion to rise up on his high horse of offended virtue.

PRIVILEGE—MR. HEAPS

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, I rise to a question of privilege and in the cause of accuracy of statement. I would point out that the hon. member for Nelson (Mr. Bird) did not second the resolution of my hon. friend from North Centre Winnipeg (Mr. Woodsworth) in connection with the disposition of natural resources.

Mr. SPEAKER: Order.

Mr. HEAPS: But, Mr. Speaker—

Mr. SPEAKER: Order. There is no question of privilege.

Mr. HEAPS: Then I rise to a point of order. The hon. member for Marquette (Mr.

Glen) said that the hon. member for Nelson seconded the motion of my hon. friend from Winnipeg North Centre. He did not do so. The votes and proceedings will show that I was the one who seconded the motion.

PRIVILEGE—MR. STEVENS

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I rise to a question of privilege, but my object is more to set at rest a question of procedure. However, I raise it on a question of privilege in order that I may be within the rules of the house.

Yesterday the right hon. Prime Minister (Mr. Mackenzie King) intimated that I had departed from the usual practice of parliament in not having given him notice of an amendment that I proposed to make, and which I subsequently did make. I will not quote his words; I do not think he will dispute my interpretation. I had hoped to have the exact reference from Bourinot, but I am not able to place my finger on it at the moment—

Mr. CAHILL: Beauchesne will do.

Mr. STEVENS: —but the fact is that Bourinot declares, as I think do all the other authorities, that no notice of an amendment is required; that it has been the custom in the House of Commons of Canada when it is proposed to move an amendment virtually constituting a motion of want of confidence in the government itself, on going into committee of supply, for instance, to give notice thereof to the government within a reasonable time. I may say from my own experience of the practice followed by this house that it has been usual to hand a copy of such amendment to the opposing party or the government as the case may be, an hour or two before the house meets. But in the case of a private member's motion, as was the motion which we were discussing, with the amendment thereto, it has never been the practice in this house or in the house at Westminster to give notice of such amendments. I wish to say to the right hon. gentleman and to the house that I should certainly feel very much grieved if it could be justly said that I had been guilty of a breach of the practices of parliament.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I hope my hon. friend will not take too seriously any remarks I may have made yesterday. He had, to use his own terms, referred to the delivering of a bit of a lecture to his side of the house and I reminded him of what hon. members know to be the case, that where there is a question that involves government policy, and the opposition expect the government to make an immediate pronouncement, the general practice is to have the government favoured in advance with a copy of the motion to be made. I said that my hon. friend, who usually is a model of courtesy, had evidently unintentionally overlooked that customary procedure. That was the extent of my criticism of him; and I would say to him now that if again he wishes the government, on the spur of the moment, to accept some amendment which is being introduced to the house for the purpose, to use his own words, of bringing us all together so that there can be absolute unanimity, I hope he will follow the practice of letting us know a little in advance what his objective is, so that we may be in a position to meet him at the moment and not be obliged to search statutes and consult authorities before being in a position to give him a final answer.

MONTREAL RAILWAY TERMINAL FACILITIES

REPORT OF MR. FREDERICK PALMER—PRINTING

On the orders of the day:

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The hon. member for St. Lawrence-St. George (Mr. Cahan), yesterday asked a question with reference to the printing of the Palmer report. I have made inquiries regarding the matter and find that the manuscript, in both English and French, together with the maps, is now in the hands of the King's Printer, and only the delay incidental to the lithographing of the maps will prevent immediate distribution of the report. As nearly as I can ascertain, possibly two weeks will elapse before general distribution can be made.

PEACE RIVER RAILWAY OUTLET

On the orders of the day:

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The hon. member for Acadia (Mr. Gardiner) asked me to secure reports and information regarding the work done last year in the Peace River area. A request has been sent to Winnipeg for this information, which will be tabled as soon as it is received. I may say in connection with the same matter that some two years ago there was a report of the engineers acting jointly for the Canadian Pacific Railway and the Canadian National Railways with reference to the Peace River western outlet. The supply of these reports has run out, and in view of the demand we are having a reprint made.

ST. LAWRENCE WATERWAY

BEAUHARNOIS POWER PROJECT—APPLICATION FOR APPROVAL OF PLANS

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Would the government be willing to table the application of the Beauharnois company for the approval of its plans in connection with what is known as the Beauharnois project

Hon. J. C. ELLIOTT (Minister of Public Works): What is referred to by my hon. friend is included, I think, in an order of the house which was made some time ago. I will look into the matter; I am sure there is no objection.

Mr. GARLAND (Bow River): Will the minister let me know?

Mr. ELLIOTT: Yes.

OLD AGE PENSIONS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Is there any truth in the report that the government of Ontario is negotiating with the government with reference to old age pensions in that province?

Hon. PETER HEENAN (Minister of Labour): So far the only question asked by the government of Ontario is whether, in the event of their adopting a certain system of administration it would coincide with the federal act; that is to say, whether they would be entitled to fifty per cent if they put into effect a certain system of administration.

COAL IMPORTS FROM RUSSIA

On the orders of the day:

Mr. THOMAS CANTLEY (Pictou): Is the Minister of Mines (Mr. Stewart) prepared to answer the question I asked last week in regard to the importation of Russian coal?

Hon. CHARLES STEWART (Minister of Mines): I have made inquiries as to when an answer will be forthcoming and I am promised it for to-morrow.

NAVIGATION AND WATER-POWERS

DOMINION—PROVINCIAL JURISDICTION

On the orders of the day:

Mr. H. A. STEWART (Leeds): Will the Prime Minister lay on the table the full text of the answers given by the supreme court in connection with the reference relating to the respective rights of the provinces and the Dominion in connection with water and water-powers, and also the factum presented by the attorney general in support of that reference?

Right Hon. W. L. MACKENZIE KING (Prime Minister): If that is not already down, I will see, with pleasure, that it is brought down.

NATURAL RESOURCES

PROPOSAL THAT DISPOSITION BE EFFECTIVE ONLY ON APPROVAL OF PARLIAMENT

On the order:

Resuming debate on the motion of Mr. Woodsworth—That, in the opinion of this house, no disposition of the natural resources, under the control of the federal government, shall be effective until ratified by parliament, on the proposed amended amendment thereto of Mr. Guthrie, and the proposed amendment of Mr. Bird.

Mr. FANSHER (East Lambton): Mr. Speaker—

Mr. SPEAKER: Before the hon. member proceeds, a point of order was raised last night by the Solicitor General (Mr. Cannon). May I ask him whether he persists in his objection to the amendment?

Hon. LUCIEN CANNON (Solicitor General): Certainly I do, Mr. Speaker, because I think the objection is well taken.

Mr. SPEAKER: The Solicitor General was automatically interrupted at eleven o'clock. Will he now be good enough to develop his point?

Mr. CANNON: The point which I raised last night, Your Honour, is to the effect that the amendment which is now before the house ought to be ruled out of order because that amendment contains a principle different from the principle laid down in the amendment already adopted, and the house certainly cannot be called upon in the same debate to decide upon two different principles.

Mr. SPEAKER: Does any other hon. member desire to speak to the point of order?

Mr. T. W. BIRD (Nelson): I should like to point out that the Solicitor General last evening, when he read the subamendment—and I was careful to follow the hon. gentleman—omitted the very significant words "similar to". Similarity is not identity, so on the point of principle alone—I am not pressing it at all—I contend that the amendment as passed does not bind the government to bring in an act identical with the Railway Belt Water Act. The contention of the Solicitor General depends entirely upon his al-

legation that this house has passed upon the principle of bringing in an act identical with the Railway Belt Water Act; but the words "similar to" clearly indicate that the government in bringing in that act have some leeway. However, I will leave that aside and direct the attention of the house to my amendment, which does not clash, either in intention or in wording, with the principle declared in the subamendment. My amendment reads:

> And in the opinion of this house such water-powers should not be disposed of until ratified by the legislatures concerned.

I was careful, Mr. Speaker, to avoid the objection which the Solicitor General has raised in his point of order. In the wording of the amendment I carefully avoided anything that would seem to indicate that we were wishing to impose upon the western provinces the will of this house. The intention and the wording of my amendment agree in this, that it is only an expression of opinion on the part of this house, which is meant only to have a moral influence upon the procedure in the western provinces.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I would like to say a word in regard to the point of order. While the hon. member for Nelson (Mr. Bird) was speaking last night it was suggested that he might move an amendment, and I tried to imagine the nature of any amendment he might move which would not be out of order under rule 413, which says:

> No amendment shall call in question a principle on which the house has given a decision by its vote on a former amendment.

With the question of the propriety of submitting an amendment I am quite in agreement with the ruling already made, but the whole point turns on whether or not the present amendment is in violation of a principle which has been already adopted, and this is the point I would like to urge. If I understood aright the amendment of the hon. member for Vancouver Centre (Mr. Stevens) it was to the effect that the water-powers of the prairie provinces should be turned over to these provinces by an act of this parliament and that legislation should be passed by these provincial legislatures giving effect to that act. When that amendment was adopted I thought we were imposing no restrictions or burdens upon the provinces; I thought they were to be free to act according to their own judgment, and my contention is that the amendment submitted by the hon. member for Nelson is out of order because it does violate that principle in that it seeks to impose a limitation instead of permitting the full application of the principle we adopted yesterday in that amendment.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I submit that whatever may have been in the mind of the hon. member for Lisgar (Mr. Brown), there is nothing in the amendment such as he has suggested. It is very clear that the subamendment moved by the hon. member for Vancouver Centre simply stated the principle that legislation should be introduced along the lines of the Railway Belt Water Act, and that the provinces should be given the right to administer their own resources. I take it that the amendment introduced by the hon. member for Nelson simply goes on to state a condition under which the provinces may be given this right of administration. We must remember that after all the Dominion government is the trustee, and in passing any legislation here this government can arrange the conditions under which it will suggest that the provinces administer this act.

Mr. DUNNING: But the hon. member who moved the amendment stated that that was not his intention in moving it, that his amendment was practically a pious hope which we might transmit to the provinces but in no sense a condition. That statement was made just now by the hon. member who moved the amendment.

Mr. WOODSWORTH: I quite realize that the mover of the amendment made that statement and technically that may be correct, but I would point out that in practice we are suggesting, if you like that word, the conditions under which that administration would be carried out, which I take it we have a perfect right to do. I would go so far as to say that whether or not it is contained in the amendment as interpreted by the mover, this parliament has a perfect right to state the conditions under which the resources will be turned over to the administration of the provinces. If the mover of the resolution simply expresses that pious wish, as I think he does, perhaps that is even less binding than the conditions I would like to see substituted. We have only that before us, but in any case the condition is there; it does not alter the original principle that the provinces should be given the right to administer their resources in the interim.

Hon. E. B. RYCKMAN (East Toronto): I find it necessary to say a word on the point of order, Mr. Speaker. The subamendment

which has been adopted provides that there shall be no further disposition of the water-powers but that they shall be administered in effect according to the water acts of British Columbia, or similar acts to be passed. Anyone familiar with what are known as the water acts of British Columbia knows that they do not provide for the alienation of the water-powers of that province. The proposed amendment states that the disposition of water-powers shall not take place without the consent of the legislature, therefore we are in this position: The subamendment adopted yesterday stated that no further disposition of water-powers should take place but that they should be administered under the water acts of British Columbia.

Mr. STEWART (Edmonton): Under similar acts.

Mr. RYCKMAN: That is true, and this amendment goes a step further, but in my opinion it is quite legitimate and quite in order. It provides that in addition to the good we have taken by the subamendment there shall be no actual disposition of the water-powers without the sanction of the legislatures.

Mr. J. G. ROSS (Moose Jaw): I am not a lawyer and I do not intend to discuss this question technically, but as I understood the amendments as they came up the amendment moved by the acting leader of the opposition (Mr. Guthrie) would have made it necessary for the western provinces, had they wanted to dispose of any of their natural resources, to come to this house and obtain an act of parliament. The subamendment changed that and practically gave the assent and the approbation of this house to the policy which has been carried on by the Minister of the Interior in the past, and a forward step was made in the matter of the return of the natural resources to the western provinces. Now, as I understand the amendment of the hon. member for Nelson, he wants to take back something we have already done, or some part of it, and should the amendment of the hon. member be adopted we will be tying a string on the resources we turned over in a certain way yesterday. I agree with the objection of the Solicitor General, and I ask you, Mr. Speaker, to rule out of order the amendment proposed by the hon. member for Nelson.

Hon. HUGH GUTHRIE (Acting Leader of the Opposition): If I understand the meaning of the amendment moved by the hon. member for Nelson it is to meet this difficulty: There is at present no legislation passed by this parliament and there is no legislation passed by the three provincial legislatures to give effect to the amendment proposed by the hon. member for Vancouver Centre, which was adopted. There will be an interval before such legislation can be passed, and I understand the object of the hon. member for Nelson to be that until such legislation is passed there shall be no granting of the water-powers under the control of the federal government without the consent of the three prairie provinces.

Mr. DUNNING: The legislatures of the provinces.

Mr. GUTHRIE: Very well, the legislatures of the provinces, although I think "provinces" would be a better word. However, to me the meaning is plain: There is no machinery at present, and until legislation is passed this amendment suggests that there shall be consent by the provinces before any of the water-powers are parted with by this government. That does not change the principle of the amendment which was passed, it endorses it; it provides only for an inter regnum, as it were, which we had not provided for. In my judgment, the amendment is wholly in order.

Mr. DUNNING: There have been several meanings adduced with reference to this last amendment. The meaning attached to it by the mover (Mr. Bird) is that it is only intended as a sort of pious hope that the legislatures will decide that no disposal of those resources shall take place without their ratification. The acting leader of the opposition (Mr. Guthrie) puts an entirely different meaning upon it, and the other hon. members who have spoken have put still another meaning upon it. The point of order raised by myself last night, and afterwards reinforced by the Solicitor General (Mr. Cannon), had reference to the relevancy of the actual words to the amendment already adopted by the house.

Mr. SPEAKER: I have heard the argument on the point of order raised by the Solicitor General, and I have no hesitation in ruling that the amendment of the hon. member for Nelson (Mr. Bird) is quite in order. The original motion of the hon. member for Winnipeg North Centre (Mr. Woodsworth) was that no disposal of the natural resources should be made in the future unless ratified by parliament. An amendment was moved by the hon. member for South Wellington (Mr. Guthrie) restricting that principle to water-powers. There was a further amend-

ment moved by the hon. member for Vancouver Centre (Mr. Stevens) which stated that no water-powers in Manitoba, Saskatchewan and Alberta should be alienated unless they came under the administration of those provinces under powers to be granted by this parliament similar to those granted to the province of British Columbia to administer the water-powers in the railway belt as set forth in the Railway Belt Water Act, and being chapter 211 of the revised statutes of Canada, 1927. That subamendment was carried.

But does it prevent an hon. member going further and, without calling in question the principle of that subamendment, suggesting only that words be added in order to give the three legislatures additional power in connection with the water-powers to be assigned to them? Let me explain how and when amendments may be moved. The following appears in Bourinot at page 320:

> Amendments may, however, be proposed to add words to the main motion, or amendment, as amended.

That is the case in the present instance. This statement is confirmed by Redlich at page 232:

> If a motion is amended, the altered motion has to be dealt with as a principal question, and disposed of by a question. Thence arises the possibility of a subamendment, a subsidiary motion in the second degree, which can be interposed between the proposal of the question on the first amendment and the final putting of this question. An amendment to an amendment, then, is in order.

Cushing on Law and Practice of Legislative Assemblies, has this to say at page 618, section 1587:

> It frequently happens, while a question is pending and under discussion, that some other question—subsidiary, incidental or privileged—arises or is formally moved; in which case, the question, first moved, called sometimes the main, that is, primary, or principal question, is superseded or suspended for the time being, by the new question. When this proceeding takes place—as soon as the new question arises or is formally proposed—that is the question to which members must speak and every member is at liberty to speak to it, notwithstanding he may have spoken to the former.

An example of this occurs when an amendment is moved, which of course supersedes the original question until it is decided. While the amendment is pending the main question can not be spoken to, but when it has been decided, whether agreed to or rejected, the original question is revived and can be spoken to as before. Even though I had doubt in the present instance as to the regularity of this amendment, and I have none, I think the principle of the expressive power of the House of Commons should be asserted and vindicated. I do not think this amendment changes or alters the principle which was adopted yesterday; it only adds a condition in the proposed mode of administration of the water-powers; it expresses the view that the legislation based on the Railway Belt Water Act, when presented to this house, shall be so framed as to admit of ratification in the three western legislatures.

[Mr. Speaker.]

I therefore rule that the point of order is not well taken. The amendment is in order.

Mr. B. W. FANSHER (East Lambton): I had nearly finished my remarks last night, and I believe I would have done so had it not been for the contention raised that the amendment of the hon. member for Nelson (Mr. Bird) was not in order.

I was endeavouring to show that for many years the water-powers on the Winnipeg river and the waters of the lake of the Woods had been under review by this parliament. An act known as the Lake of the Woods Regulation Act was passed in 1921 which sought to preserve for Manitoba the water-powers on the Winnipeg river on which the Seven Sisters falls are situated. The following year an unsuccessful attempt was made to amend this act, and during 1923 another amendment was introduced. During the discussion of that year it was made quite plain that most of the Manitoba members were opposed to the repeal of this act; they seemed to consider that it was in the interests of the province of Manitoba that the act should remain in force. In supporting that principle the then member for South Winnipeg, Mr. A. B. Hudson, had the following to say:

> I think parliament would make a great mistake, having regard to the interests of Canada as a whole, to repeal this legislation.

The then member for Brandon, the present Minister of Immigration (Mr. Forke), was very much interested in having this act remain on the statute books. He had the following to say:

> I know the position the city of Winnipeg is in, and I know if these water-powers are hampered or interfered with, a disaster and a tragedy will be caused to the city of Winnipeg. There is no question about that.

It seems to me that the opinion of the hon. gentleman whom I have quoted was that it was preferable for the control of these water-powers to be vested in the Dominion parliament. The Minister of the Interior (Mr. Stewart), however, informed us last session—and we knew it to be right—that this act was repealed. The government last session in effect said this: We declare that these water-powers are not in the general interest of

Canada; and having made that declaration they proceeded to grant rights to a private corporation, in compliance, of course, with the wishes of the Manitoba government. What this amendment seeks to establish is simply to make certain that in future such deals in connection with water-powers in any of the western provinces shall be approved by the legislatures of the provinces affected. Surely we are not afraid to trust the people's representatives. If these leases are wise deals; if they are good leases, surely they will bear investigating by the legislatures concerned. For my part I think the amendment is eminently desirable. There seems to be of late a disposition to alienate some of these water-powers from the control of the people, and I should be sorry to see these great natural resources, which mean so much to us in this day, alienated in any way whatsoever without a full discussion taking place in the legislatures that are concerned. The amendment is highly desirable and in the best interests of all concerned.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the whole question has become so involved that I am inclined to believe many hon. members of the house may not appreciate the full significance of some of the amendments which are being moved. This much I think is clear, namely, that we are first of all dealing with the disposition of natural resources; second, that the particular natural resources we are at the moment concerned with are water-powers; and, third, the water-powers only in the provinces of Manitoba, Saskatchewan and Alberta. A fourth factor is introduced by the amendment which relates to "ratification," as it is termed, by provincial legislatures. No doubt "approval" is what is meant. If we keep those four essentials clearly in mind I do not think there will be much difficulty in seeing just where the amendment of my hon. friend would land us if parliament should be tempted to pass it.

Yesterday the house accepted an amendment moved by the hon. member for Vancouver Centre (Mr. Stevens) whereby it agreed that the water-powers of the three western provinces should be transferred to those provinces for purposes of administration. It was recognized by the house that an immediate transfer would be impossible. Indeed, it was recognized that some little time might necessarily elapse before the transfer as required by the amendment could be made, for the reason that first of all parliament would have to amend its own legislation so as to bring the three western provinces of Manitoba, Saskatchewan and Alberta with respect to their water-powers into a position corresponding with that of British Columbia with respect to water-powers in the railway belt; in the second place that the three western provinces would on their part each have to pass enabling legislation which would give them the necessary powers to administer the resources when they were transferred. Clearly as a result of that amendment there are two periods of time that have to be taken into consideration. I do not agree with the acting leader of the opposition (Mr. Guthrie) when he says that the amendment of my hon. friend is restricted to only one of those periods. There is no restriction in the matter of time. It is a short amendment which says that no disposition shall be made until there is ratification by the provincial legislatures.

Mr. DUNNING: Ratification of each disposition.

Mr. MACKENZIE KING: Yes, ratification of each disposition, as my hon. friend has just said. Let us take the two periods separately and consider what the amendment means in relation to them. There is first of all the period between the present moment and the time at which parliament has amended its present legislation and the time that all three of the western provinces have passed their enabling legislation. The amendment means that in the interval the federal government cannot transfer any water-power without the legislatures of those provinces ratifying the disposition that has been made. In other words, the transfer can be made effective only after the legislatures themselves have ratified what has been done. That is a delegation of part of the obligation of parliament in the matter of administering the resources. Resources that are under the control of the federal government can be administered only by this government. Any legislation which tends to delegate that power is ultra vires of parliament. That in a word, is the position in regard to the first period. This federal parliament cannot divest itself of full responsibility in the matter of a transfer of resources by delegating any phase of that transfer to a provincial legislature so long as the resources are under the control of this parliament. So long as the transfer has not been made this parliament cannot delegate to any provincial legislature the legislative power over such disposition. Any provision which amounts in law to a delegation is ultra vires parliament. Let us understand that

clearly, because that is one reason why the government cannot accept the amendment. It asks us to do something that in our opinion is ultra vires parliament.

Mr. BIRD: How would that apply to the subamendment?

Mr. MACKENZIE KING: I am referring to the subamendment. I am dividing its application into two periods, the period prior to the transfer, and the period subsequent to the transfer of the resources from our administration to the provincial governments for their administration. The amendment relates to the transfer to the provincial governments for the purposes of their administration. I am speaking now of the period that would elapse between the present moment and the transfer, and I say that in that interval of time my hon. friend's amendment, if it were passed, would compel us to attempt something that was ultra vires parliament. We cannot divest ourselves of a power which is exclusively ours with respect to territory and resources which are under our administration.

Let us consider the other phase. The second period contemplates the provinces in a position to administer their own resources; it necessarily contemplates the legislatures of those provinces deciding what, in their opinion, it is most advisable to do in regard to the disposition of the natural resources in those provinces. They will have to pass water acts of their own. If they do not trust their governments, they can put into their water acts, as one of the provisions, that the government shall have no power to do anything, only the legislature, and then the legislature becomes the executive; that is what it comes to. I am inclined to feel that much of the difficulty all through this debate has arisen through a failure on the part of many to comprehend the essential distinction between the legislative function in government and the executive function. The crown acts through the executive in executive acts; it does not act through parliament. Some of the amendments which have been moved are an endeavour to transfer the executive function from a responsible ministry to a legislative body, and as such, they do not have regard for the customary practice under British parliamentary institutions.

Let me come back again to what is involved in the amendment with respect to the powers of these provincial legislatures. Once the provinces are entitled to administer their own resources, this amendment, if it is passed, would in so many words declare that the provincial legislatures of Manitoba, Saskatchewan, and Alberta could not authorize their governments to dispose of natural resources in the nature of water-powers except, in the case of each, by the legislature itself ratifying every such disposition. Since when, Mr. Speaker, has this parliament had the right to tell any provincial government or legislature what it shall do or shall not do in the administration of its own affairs? Are we not going pretty far afield in respect of our own rights and privileges when we undertake here in this parliament at Ottawa to tell the three western provinces of Canada that they shall not have the right to legislate as they please with respect to the disposition of water-powers, concerning the administration of which we are giving them full and plenary discretion?

It comes back again to the position we were in with respect to the original motion. Here is an effort, not so intended, I admit, but, nevertheless, in effect, to strangle the three western provinces in the matter of the disposition of their water-powers, as compared with the other provinces of Canada. Supposing my hon. friend moved in this house that no power would be given to the government of the province of Ontario to make any disposition of its water-powers except by an act of the provincial legislature. How long would he be countenanced in that attempt by hon. gentlemen opposite? He would be told at once that that was none of this parliament's business, that the Ontario legislature is as supreme and sovereign in its rights as is this parliament in its rights, and that we have no right to dictate to Ontario how it shall manage its own affairs. The governments of the western provinces are responsible to their legislatures, and if the governments of the western provinces are not doing what is right then it is for their legislatures to say so. Two of the governments of the western provinces at the present time are Progressive governments, and I am amazed to find that it is my friends of the Progressive party opposite who are the ones of all persons in this house who seem to be most critical or suspicious of Progressive administrations. They seem to feel that wherever there is a Progressive government in office, they should in some way restrain it from performing an act for which it will be responsible to its own legislature. May I say that so far as I personally am concerned, I do not take an attitude of that kind with respect to the responsibility of ministers to their legislatures. I think that governments fully appreciate what their responsibilities are, and that they know very well where their power and authority comes from before they will perform any act. The provincial ministers are responsible to the provincial legislatures; the Dominion ministers are responsible

to the Dominion parliament. You cannot make a Dominion ministry responsible for some act of a provincial legislature, or a provincial ministry responsible for some act of the Dominion parliament.

So, Mr. Speaker, I contend that with the best of intentions my hon. friend's amendment would put us in a strange and in an impossible predicament, and for that reason we cannot accept it.

Let me come down to one concrete effect of the amendment in a situation which is of considerable importance at this very moment. Forget for a moment the province of Manitoba, which undoubtedly is most in the mind of my hon. friend. I think that the government and the legislature of Manitoba have probably had enough in the way of experience already to make them go pretty gingerly in the future in respect to anything they may do with respect to water-powers in that province. I do not think my hon. friends from Manitoba need be the least bit afraid that any government in Manitoba from now on, if indeed it ever felt otherwise, will ask this government to do anything with respect to water-powers for which it does not feel it has the full support of the provincial legislature. But take the case of the province of Alberta. What is the position in regard to Alberta at this moment? We are, or we believe that we are, practically at a settlement with respect to the transfer of natural resources to that province. If this resolution passed, and were intra vires, and were to be acted upon, and Mr. Brownlee, the premier of Alberta, were to-morrow to ask the Minister of the Interior (Mr. Stewart) to make some disposition of a certain water-power in that province, no matter how urgent his desire and wish might be, the minister would have to reply that he could not do it, that he would have to wait until the legislature of Alberta reassembled and ratified whatever disposition he was in a position to approve. Similarily, when we are transferring the natural resources, this government would be obliged under this resolution to insert in any contract with the Alberta government that the Alberta government could not have back the water-power resources with authority to the ministry itself to make any disposition of those resources, that the government could only have the water-powers back on the condition that the legislature itself approves every disposition which the government makes. Now is that a fair position in which to put a government such as the government of Alberta? Is it a fair position in which to put the government of Saskatchewan? Is it a fair position in which to put the government of Manitoba? And these are the only governments that are affected by the amendment of my hon. friend. It does not affect the other governments of the Dominion in the slightest particular.

So I say, Mr. Speaker, having regard to the fact that, from one point of view, the proposed legislation is ultra vires, and that, from another point of view, it implies that this government may impose its will on the legislatures of provinces, which have complete autonomy and full rights with respect to matters under their own control, to say nothing of other objections which might well be raised, we cannot accept the amendment, and I cannot but feel that my hon. friend, if he appreciates that such is the effect of his amendment, will probably not press it unduly.

Mr. ADSHEAD: If the amendment were adopted, would the three prairie provinces be then on an equality with the other provinces?

Mr. MACKENZIE KING: They certainly would not. The whole effect of the amendment is to put them in an inferior position as compared with the other provinces of Canada.

The house divided on the amendment (Mr. Bird) to the amendment as amended, which was negatived on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Bird,
Black (Yukon),
Black (Halifax),
Bowen,
Boys,
Brady,
Campbell,
Carmichael,
Casselman,
Chaplin,
Charters,
Church,
Clark,
Coote,
Cowan,
Dickie,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Embury,
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Carleton),
Grimmer,
Guthrie,
Hanson,
Heaps,
Hocken,
Hubbs,
Irvine,
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
Lawson,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
McGibbon,
McGregor,
McQuarrie,

McRae,
Manion,
Matthews,
Maybee,
Peck,
Pettit,
Plunkett,
Price,
Quinn,
Rennie,
Ross (Kingston City),
Rowe,
Ryckman,
Ryerson,
Senn,
Short,
Simpson,
Sinclair (Wellington North),
Smith (Cumberland),
Speakman,
Spence,
Spencer,
Spotton,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Tummon,
White (London),
Wilson,
Woodsworth.—87.

NAYS

Messrs:

Adshead,
Allan,
Baldwin,
Bancroft,
Beaubien,
Benoit,
Bettez,
Bissett,
Blanchard,
Blatchford,
Bock,
Boivin,
Bothwell,
Bouchard,
Boucher,
Boulanger,
Bourgeois,
Bowman,
Bradette,
Brown,
Cahan,
Cahill,
Cannon,
Casgrain,
Chevrier,
Delisle,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Dubuc,
Duff,
Dunning,
Elliott,
Euler,
Fafard,
Ferland,
Fiset (Sir Eugene),
Fontaine,
Forke,
Foster,
Gershaw,
Glen,
Goulet,
Gray,
Hall,
Hay,
Heenan,
Hepburn,
Howard,
Howden,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kay,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Langlois,
Lang,
Lapierre,
Lavigueur,
Letellier,
Lovie,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McDiarmid,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Mercier (St. Henri),
Millar,
Milne,
Morin (Bagot),
Motherwell,
Neill,
Parent,
Perras,
Power,
Prévost,
Ralston,
Rhéaume,
Rinfret,
Roberge,
Robitaille,
Ross (Moose Jaw),
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Tobin,
Totzke,
Vallance,
Veniot,
Verville,
Ward,
Young (Saskatoon),
Young (Weyburn).—110.

[Mr. Mackenzie King.]

The amendment (Mr. Guthrie) as amended agreed to.

Main motion (Mr. Woodsworth) as amended by the amendment as amended agreed to.

PAIRS

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

Messrs:

Marcil,	Perley,
Robb,	Harris,
Cardin,	Cantley,
Morrissy,	Bell (Hamilton),
Lapointe,	Bennett,
Thorson,	Ladner,
Edwards (Ottawa),	Garland (Bow River),
Lanctôt,	White (Mount Royal),
Mercier (Outremont),	Geary,
Rutherford,	Gott,
Pouliot,	Lennox,
Dussault,	Cotnam.

Mr. MARCIL: I was paired with the hon. member for Argenteuil (Sir George Perley). Had I voted, I would have voted against the amendment.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for South Toronto. Had I voted, I would have voted against the amendment to the amendment as amended.

Mr. CANTLEY: I was paired with the hon. Minister of Marine and Fisheries (Mr. Cardin). I would have voted for the amendment.

Mr. GOTT: I was paired with the hon. member for Kent (Mr. Rutherford). I would have voted for the amendment to the amended amendment.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted, I would have voted against the amendment to the amendment as amended.

GRADING OF GRAIN

WHEAT—PROPOSED AMENDMENT OF STATUTORY DEFINITIONS TO INCLUDE PROTEIN

Mr. JOHN MILLAR (Qu'Appelle) moved:

That, in the opinion of this house, the statutory definitions applying to all contract grades of wheat in the western inspection division, should be amended in such a manner as to provide for including protein as a factor.

He said: Mr. Speaker, in presenting this resolution to the house I am aware that a goodly number of hon. members are very anxious to discuss the budget. I hope I may be able to allay some of their anxiety on that score when I state that I am quite sure the debate on this resolution will not last more than three days and may possibly be concluded within a somewhat shorter time.

This matter is one of very great importance in that it affects the grading of 500 million bushels of wheat. It is rather interesting to find that in 1918 Canada grew only 189 million bushels of wheat, while last year the crop reached the huge total of 533 million bushels. During past years the farmers of western Canada have gone through most trying times. They have the difficulties of frost, rust, hail, excessively dry weather—all those difficulties they must contend with; but in addition there are other difficulties that this parliament can remove, and it is those difficulties that I intend to deal with this afternoon. I purpose reciting the position of the farmer as I see it, and I purpose also mentioning three major reforms which I believe are required.

Mr. SPEAKER: Order. I cannot hear the hon. member, who I understand is discussing an important question.

Mr. MILLAR: Each year, early in the threshing season, the milling companies of western Canada gather samples by the thousand from prairie shipping points and have them tested for protein or, in other words, for milling purposes. They have maps prepared—I have seen some of them—on which thousands of shipping points in the prairies are marked by pins of various colours to indicate strength, and the Canadian mills follow the practice of picking the strongest wheat from these points. That is the first step in skimming off the cream, and it is one of the complaints which the western farmer is making at the present time. Thousands of cars are sold in this way, because they contain very strong and good milling wheat, the very best. For this the farmer receives very little in the way of premium or extra price. It is true that some of the larger mills at their elevators will pay a premium of one or two cents and occasionally perhaps three cents, which goes direct to the farmer; but for the most part the farmer does not receive any benefit from this high class, high valued milling wheat picked off by the mills of Canada.

Now let us go a step further. The grain is conveyed to Winnipeg and other inspection points. What takes place there? The mills retain well paid experts at those inspection points, and their duty is to examine the cars, as they are shipped through, and pick out the best grain. There they have another chance to skim off the cream. I will point out presently how this affects the farmer, but before I do so I wish to go a little further. They are not the only ones who are picking the best; the mixing elevators also have an opportunity to pick the highest of each grade, or those that suit their purpose best for mixing. So that the process of skimming off the best goes on.

In the evidence given recently before the Saskatchewan Grain Inquiry Commission it was shown that when trains of cars are stopped on the siding at Saskatoon, Moose Jaw, Kenora and other points, the representatives of the mills, by an arrangement with ten line elevator companies, which include practically all the elevator companies of western Canada, have the privilege, with the consent of the railways, of going over these cars, breaking the seals, picking out the choicest cars and shipping them to their mills. That was rather startling evidence, and you can see that the picking process, the skimming off of the best, is complete. Very little choice wheat gets past the mills and mixing elevators for export. Let me make plain how that affects the farmer. You may say that this grain belongs to the line companies; they have paid for it, the farmer has received his price; what business is it of his, therefore? Let me point out that the largest factor in determining the price which the farmer will receive at the country elevator is the Liverpool market. That is not the only determining market but it is the greatest. The price which the farmer receives at his initial shipping point is determined on the quality of the grade that reaches Liverpool and other old country markets. There is a point here to which it is worth while to pay attention. When this matter was fought out in 1925, both in the committee and elsewhere, it was contended by those in favour of the mixing practice that the old country buyer, having the standard grade before him, buys on the minimum of that grade. To say that is to say that the old country buyer is practically a fool. On the contrary, he is I believe the most intelligent buyer there is in the world. He does not buy in that way but on the quality he has been receiving. He buys by cable millions of bushels. He does not see the grain but he knows what he has been receiving; he knows what he received last month, the month before and the month before that; he knows what he received last week. He therefore buys on the basis of the quality he has been receiving. That fixes the price.

I attended a meeting of the Board of Grain Commissioners in Vancouver some few years ago, when the hon. member for Vancouver Centre (Mr. Stevens) was present, and it was pointed out by several witnesses, including my hon. friend, that at that time the grain being shipped from the port of Vancouver was receiving a premium of five cents over that shipped from Fort William and Montreal.

The standard was the same; the definition was the same. What made the difference in price? Nothing in the world but quality. How long would an importer in Great Britain be in business if he were foolish enough to base his price on the minimum of the grade, when what he was actually receiving was worth three or five cents less? He would not be in business very long. There is not a business man in this house who would follow that practice twenty-four hours. However the statement to which I have referred has deceived many people. I noticed in the account of a meeting of the United Farmers Association in Alberta that a man who should be regarded as an authority made that statement before the convention when arguing in favour of mixing. There is absolutely no truth in it; an examination of the statement will show that it is simply silly. One has only to turn to the report of Dean Rutherford for confirmation of what I am saying. Again and again he quotes the British buyer to show that it is quality that decides the price. This stresses the point that mixing is detrimental to the best interests of the producer of wheat. It is an unwritten part of the contract—I think I may put in that way—that when he delivers a car of wheat at the country elevator he shall receive for that car, whether 2, or 3, or 1, what the grade of 2, or 3, or 1 will bring in the old country market, and anything that impairs that quality in transit—if some of the best is taken off and poorer stuff put in—results in a lowering of the quality and a consequent lowering of the price. So that the farmer suffers.

I have in my possession four graded samples of wheat which were sent to me through the mail by the pool. Those four samples did not look to me to be of as good quality as the farmer was delivering, and I took occasion to submit them to nine country buyers, some of whom have been buying grain for twenty years, and the assistant superintendent of an experimental farm. I know them well; they are good buyers. As country buyers go, they are good, as good as the average, I am certain. To these ten men I submitted the four samples of grain from outgoing cargoes, the same grain which will reach the old country market and will become the basis for determining the price the farmer will receive. Not one of these men knew what grades the others had placed upon these samples of wheat. I was very careful about that; I turned out the grain on a sheet of paper and asked them to grade without any other information. I did not say where it came from nor did I give any other information. The first sample was

No. 2 wheat out of Portland and the ten buyers graded it respectively No. 3 northern, No. 4, No. 4, No. 4, No. 4, strong No. 3, No. 4, No. 4, No. 4, No. 4. These four samples of grain were graded not only by these ten men but also by Inspector Steel, who was loaned by the pool to the grain commission and who travelled with them. He is a very excellent inspector and a very honourable and efficient man; I believe he knows more about grading grain that any of these other ten men, and before I go on let me say that Inspector Steel graded this wheat as a poor No. 2. You will notice the great discrepancy between his grading and the grading of the country buyers, and I will deal with this a little later on. Then I submitted a sample of No. 3 northern out of Montreal, which was graded by the ten men No. 4, No. 4, No. 4, line No. 4-5, No. 4, No. 4, No. 4, No. 5, No. 4, No. 4, and by Inspector Steel rejected No. 3, burned. The next sample was No. 4 out of Montreal; this was graded by the ten men No. 4, No. 5, No. 5, No. 6. No. 5, No. 5, No. 6, No. 5, No. 5, and No. 5, and by Inspector Steel No. 3 northern. The last sample was No. 5 out of Vancouver and was graded by the ten men as No. 6, No. 6, No. 6, No. 6, No. 6, No. 6, No. 6, poor No. 5, No. 6, and No. 6, and by Inspector Steel No. 5.

Mr. MANION: Where is Inspector Steel?

Mr. MILLAR: I think he was an inspector at Winnipeg, and for some time he has been inspector for the pool, whose duty it is to look after the cars as they come forward and ask for re-inspection and appeal where he thinks wise.

Mr. MANION: Had Inspector Steel been an inspector for the government?

Mr. MILLAR: I believe so; I would not say so positively but I am almost certain of it. I am told he is now head inspector for the central selling agency of the pool; he is a very efficient inspector.

Here is something I wish to point out. As I said before, I believe Inspector Steel has greater knowledge and can perhaps inspect grain better than any one of these ten men, but you cannot brush those men aside and say they do not know anything about grading grain. Look at the way they graded the No. 5 sample; nine of the ten graded it No. 6, without knowing how anyone else had graded it. They know how to grade grain; they are the men who do that work and the men with whom the farmers deal. That is a standard to which the farmer must submit, but why the discrepancy? I cannot understand it; it

is a puzzle to me. It may be pointed out that these were samples of mixed grain, with which the country buyer is not familiar. That is quite true, but is Inspector Steel more familiar with them? I doubt it. If he has not graded out of Fort William or some other terminal port he would be no more familiar with mixed grain than the country buyer. They all knew these samples were of mixed grain and were not grown in their own vicinity, but there is the difference in their grading; I laid it before the grain commission and left it in that way, without explanation. I believe they all tried honestly to grade the grain as it should be graded to meet the requirements of Winnipeg inspection.

Mr. COOTE: That is a pretty good argument against mixing.

Mr. MILLAR: Yes, that is so. Leaving that point, let me go a step further. Our grain is shipped to the old country, and under our present system it arrives there on certificate final. That is a point with which I should have dealt when I was showing that the quality of the grain reaching the old country determined the price received by the Canadian farmer; I should have pointed out that the grain is received there on certificate final, and no matter what the quality may be there is no redress. They have been complaining about this for years, but the system has not been changed and when the quality is low they can only protect themselves by lowering the price. That price is not lowered immediately; it must continue on a lower or a higher level for a considerable length of time until confidence is reestablished or permanently destroyed, after which the price will follow the quality. They want uniformity; they are very anxious that when they buy 10,000 or 500,000 bushels of wheat on cable they shall receive a uniform quality, up to what they expect. If there is a constant variation either up or down it is unsatisfactory; if the variation is down it means a great loss.

Let me add here that considering the enormous development of the wheat growing industry it seems to me about time Canada established agencies at important overseas markets such as Liverpool and London to look after our interests. We have trade commissioners abroad and are reaping great benefits from their work, and I think we should have someone at those markets all the time to adjust these differences, consult with the buyers, obtain suggestions from them and iron out the difficulties which arise over grain shipments. It is quite apparent from the correspondence tabled here last year, from the letters received by the Minister of Trade and Commerce and by the Prime Minister and from reports from the old country, that our reputation has been sadly undermined. The practice of mixing, the skimming and the looseness of inspection have all worked to undermine the reputation of our wheat on the overseas markets. If you look at the correspondence appearing in Hansard and in the report of the committee last year you will find that the Liverpool Corn Trade Association used such strong terms as "if we cannot get strong wheat from Canada we may have to seek it elsewhere, probably in Russia." That is the essence of what they said.

The three major remedies or reforms, which I intend to mention in passing and with one of which I shall deal in a moment, are first the elimination of the skimming practice, second the removal of the evil of mixing grain, and third a better and more accurate method of grading. With this last point I wish to deal at some length.

In recent years a great deal of attention has been paid to the protein method of arriving at the value of wheat. If I had time I could quote a great many high authorities to show that this protein test is a much more accurate method of arriving at the value of wheat for the purpose for which it is to be used, but I will quote only three or four. The first quotation is a newspaper article dealing with the grain commission hearing at Saskatoon, and is as follows:

> B. H. Harris, chemist of the Quaker Oats Company, told the commission it was idle to talk of the visual test determining milling value of wheat.
>
> "And yet," observed Dean Rutherford of the commission, "that is the way all the wheat Canada produces is being graded. I think that remark of the chemist is very important."

The following is taken from a Stanford university booklet:

> All things considered, the amount of gluten, that is, of protein, seems, in the light of present day knowledge, to be the nearest approach to an ideal index of baking strength available.

Professor Larmour had the following to say before the Saskatchewan grain commisison:

> Visual examination cannot be relied upon to evaluate wheats within the grades.

The newspaper article reporting his evidence goes on to say:

> Historical references to the protein test formed the background of Professor Larmour's discussion of this apparently new phase of Saskatchewan's chief industry. He indicated that many years ago the protein test was evolved and during his evidence moved a step at a time toward the rapidly developing "miling and baking test" of grain. He stated the purpose

of this latter test to be the examination of the wheat from the standpoint of the use to which it would finally be put.

"The value of the test," he said, "is that it correctly interprets the true worth of the wheat for the purpose to which it will ultimately be put, and it is the most reliable method discovered up to the present time."

I would point out that there is a demand for strong wheat in the markets where we sell our grain. Strong wheat means wheat with a high protein content of good quality. Doctor A. H. Benton, of the North Dakota agricultural college, has the following to say on this subject:

Protein content in recent years is of far greater importance as a price factor than is grade. During recent years premiums made ranged as high as sixty cents bushel over the previous quoted price for basic grades. Since federal inspection is found to be advisable for grade, protein, which is infinitely more important from the price standpoint, should likewise receive this attention of the central government.

Page 180 of the Turgeon report shows a British miller as making the following answer to a question put to him by Dean Rutherford:

Q. How does Manitoba 3 northern meet your requirements?

A. There are three factors affecting it, (1) frost, (2) soft wheat, (3) lightness, and we don't know what to expect. Frost is the most undesirable, and starchiness next, but we do not mind thinness in 3 so much, as with it we are likely to get more strength, and it is for strength primarily that we buy Manitobas.

Mr. T. B. Armstrong, assistant chief of the Kansas state grain inspection department, has the following to say:

The demand for milling wheat with a protein test of 12 per cent or better increased premiums to the highest point in history. The average spread between 11 and 14 per cent wheat for the entire season has been 24½ cents. At the peak during the last of April, it was about 36 cents. A car of high protein wheat sold last month on the Kansas City market at 48 cents premium over the May option.

That would be the premium over and above the price fixed on the inspection certificate. The following, with reference to the inland overseas millers, appears on page 162 of the Turgeon report:

But the inland millers must still have Manitobas or other strong wheats to blend with the softer home grown, in order to produce a brand of flour that will suit the needs of the baker.

And at page 171:

Flour made from your one northern wheat is our "trump card." It has strength and on account of that constitutes the base in our system of bread-making.

Again, at page 176:

"We want to be assured that we actually get on the Canadian certificate final wheat that is fully equal to that we should expect, and that the grading shall be accurate and regular."

[Mr. Millar.]

"We want uniformity in the grading, so that we may know what to expect—uniformity throughout the season and the same uniformity through the years." Another miller said, "I am indifferent as to how the Canadians handle their wheat so long as the quality, the uniformity of quality, and the price suit the conditions, i.e., meets the competition ruling here as affected by the competition of other exporting countries. You may be sure of this, that Manitobas have an intrinsic value in themselves, viz., for their strength and yield, especially ones and twos. If these are impaired in any way—if the grades are lowered by degrading or mixing either intentionally or unintentionally, the British miller will know it, and the price will be lowered in consequence." This was confirmed by the evidence of other millers.

On page 178 of the report the remarks of another miller appear:

We buy Manitobas for strength and yield. They are better at the first of the season, October, November and December, than from January to the end of the season. They contain less moisture and possess a better quality of gluten.

On page 178 the following, referring to questions put by Dean Rutherford to an overseas buyer, appears:

I said to him: "Do you know the statutory definition of Manitoba one, two and three northern?" He said, "No." I asked him how he arrived at the price he would pay for these various grades. "I take into consideration what I expect to receive on the Canadian certificate based on my past experience—strength as measured by the action of the flour when baked and yield of flour from the mill." Anything in a sample of wheat that deteriorates its strength or lessens its yield of flour lowers its value to the miller and consequently lowers the price he can offer for it.

And again at page 178:

When we get a bad shipment we have no redress and consequently we bid lower and substitute other wheat when possible.

And then at page 180 of the report:

"What would be the effect on price if Canadian grades were lowered?" "The price would be lowered accordingly."

Let me deal with another phase of the question. I would like to tell the house what the protein proposal really is. Some have an idea it is something like the method adopted in the United States. It is not at all; it is entirely different. It is merely an attempt to do what we are doing now, but to do it with greater accuracy. The proposal submitted to the committee last year was that we would leave the definition of numbers 1, 2 and 3 northern—and it is proposed to apply this only to numbers 1, 2 and 3 northern— as they are now, except as regards the specifications to determine strength. That is, we have one part of the definition: "The grain shall be equal to marquis." Then we have in another part of the definition that there shall be a

certain percentage of hard red vitreous kernels. That is the way in which we endeavour to arrive at the strength that is in the wheat, and as millers and chemists will tell you, it is a very inaccurate and unsatisfactory method. It was brought out in the evidence before the committee that wheat that was submitted to a mill and prepared for milling, even though it might be a No. 1 northern, the best carload of wheat you could find, after it was submitted to the washing process of tempering for milling and then, instead of being milled, was submitted to the inspection department, would grade no higher than No. 3 or No. 4. No one will argue that the mill intentionally or unintentionally damaged that wheat, but it will be lowered in grade and consequently in price away down to a 3 or a 4. Therefore, in this case the colour, or visual test is a failure.

Now we come to the percentage of hard red vitreous kernels. That fails again accurately to determine the value of the wheat. It is not without value; there is a relation between the percentage of hard red vitreous kernels and the value, but it does not come anywhere near being an accurate test. The mills of Canada and of the United States are buying wheat not on the visual test but on a protein test which is a quantity protein test. Will anyone argue that if we introduce a system that will test the strength more accurately, this will not give satisfaction or will cause dissatisfaction to those who buy our wheat? We are testing for strength now by those two specifications, the variety and the percentage of hard red vitreous kernel, but it has proved unsatisfactory and the proposal is simply to substitute for that a chemical test. I have read sufficient authorities to prove that the chemical test is by far the most accurate.

What will be the advantage? A loose system is detrimental to the best interests of the producer. Why? I do not know that I shall have time to quote all the evidence that I have under my hand, but a chemist giving evidence before the grain inquiry commission at Saskatoon pointed out that in the same grade of wheat, he had found wheats which differed to the extent of 50 per cent. These were in the lower grades. That is, one car of wheat would be worth one and one-half times more than another car found in the same grade. You do not need to give much consideration to the matter to see that this plays into the hands of the middlemen who are picking off their choice. They have their experts watching the cars as they pass through Calgary, Edmonton or Winnipeg, and if a car is worth 50 per cent more than another one in the same grade, it will never go to the old country. It would be picked off and go to the mill or mixing elevator. Mark you, the farmer does not get anything in the way of a premium for a car that is picked off in that way. It goes to the middlemen and tends to swell their profits. I believe a company contended—and I think they are stating facts—that they paid to the farmers for such cars $70,000 in a year. I have heard the question asked many times when there were fifty or a hundred or two hundred farmers present: How many of you ever received a premium for those cars that were diverted? Sometimes out of a hundred men one man would raise his hand. Sometimes out of fifty or a hundred men no one would raise his hand. I have shipped grain for many years and I have never received such a premium. I believe the United Grain Growers are placed in a slightly different position. They wish to continue mixing; they wish their shareholders to be satisfied, and I believe they do pay some premiums to their shareholders and other customers. But I heard the manager of that company, on one occasion when we were discussing the question of who should be responsible for placing stamps on cheques sent out, say: "If our company paid for stamps on cheques sent out it would cost us $40,000. Seventy thousand dollars is not double the price of the stamps, so they do not pay very much to the farmer. It seems a great deal of money, but when you consider the quantity of grain that is handled, it is a very small amount they pay back to the farmers. It is generally true that the farmer receives nothing in the way of premium for his choice wheat that is diverted in this way.

I have heard this objection to the proposed method of grading: "Well, now, this proposal to have wheat tested for protein is merely another difficulty in the way of the farmer reaching the higher grade. It is hard enough for him to get his wheat into No. 1 or No. 2 now. This will only make it a little harder." "Well," I said to him, "let us see how this works out. We will just reverse the process. One specification in the definition is sixty pounds to the bushel of wheat. That is a difficulty preventing some farmers from reaching the higher grades. In order to make it easier, we will just remove that. We have another specification that there must be 60 per cent of hard red vitreous kernels. That is a difficulty in the way of some farmers reaching the higher grade. We will just remove that so as to make it easier." It was not very long before he saw that we were getting back to the point where we

would not have any grading system at all. The welfare of the farmer lies in the opposite direction. He is safest and he is getting nearest to the actual value of his wheat when it is accurately graded. As soon as there is a looseness, as soon as two types of grain are put together that are not nearly alike in value, then he is the loser. The best will be picked off and he gets paid for the lower quality that remains.

I am surprised, sir, to find that my time is exhausted.

Mr. THOMAS DONNELLY (Willow Bunch): Mr. Speaker, I do not intend to detain the house at any great length in discussing the subject before us. I just wish to associate myself with the hon. member for Qu'Appelle (Mr. Millar) in many of the statements he has made concerning the inspection and grading of wheat. We must all recognize the fact that wheat has made western Canada. The hard red spring wheat has become well known and has made a name for itself throughout the world, and in that way western Canada has been built up. We may refer to our other agricultural products such as cattle, horses, butter and eggs, but after all the one important thing that western Canada is depending upon is its wheat.

If we look back at the history of the wheat growers in western Canada we shall find that about 1917 or 1918 they were more or less prospering, but when we come to 1921 and 1922 we find that they were almost broke. I know many men in my constituency who in 1917 had $7,000 or $8,000 in their pockets and who found themselves in 1921 and 1922 with not only the $7,000 or $8,000 gone, but with $7,000 or $8,000 of a mortgage on the farm as well. They were beginning to despair; in fact, many of them were leaving the farm. They were beginning to despair of ever being able to farm in western Canada at all. Thanks to the wheat pool and the organized methods that the farmers introduced at that time whereby they brought the wheat pool into operation so as to enable the farmers to market their grain with more profit to themselves, they were able to continue. Things went along with more or less success to the western farmers until the last two years. In the years 1927 and 1928 the farmers have found themselves again growing wheat at a loss; they have found themselves going from bad to worse. They began to feel that there was something wrong with the marketing of their wheat whereby they found themselves unable to raise it at a profit.

[Mr. Millar.]

At the present time the grading and inspection of wheat in western Canada constitute the most important problem attracting their attention. On all sides in the farming community we hear nothing spoken of but the grading and inspection of wheat and this should be so because their very existence depends upon it. They feel there is something wrong whereby there is a reduction in the price they receive and they are not able to grow wheat at a profit. They feel that some changes are needed in our Canada Grain Act so as to enable the producer to receive a more equitable return for the wheat he grows.

For the benefit of the eastern members I feel it is necessary to refer briefly to the whole question of the marketing of wheat, because it is through this that many evils have crept into the grain trade. The farmer knows how to market his wheat in his own town, but he does not know what happens to it after it leaves there. If he knew that, he would not put up with many of the evils that he has put up with in past years. When he brings his grain into the market there are, practically speaking, three ways in which he may sell it. He may sell it as "street" wheat. That is, if he is satisfied with the weight, the price and the grade, he sells it outright. That is called "street" wheat. The elevator takes charge of it; the farmer gets his money and the deal is closed. He has nothing more to do with it. The second way in which he can sell it is when he is satisfied with the weight and the grade but not with the price, he puts the wheat into an elevator under what is called a "graded storage ticket." Then he waits until the price is right and he sells it. The third way is when he is satisfied with the weight but is not satisfied with the grade or price, he puts the wheat into what is called a special bin. The wheat is sent down to Winnipeg or the terminal and it is graded there. Then when he is satisfied with the price he sells his wheat. Practically speaking, from the farmer's standpoint, those are the three methods by which grain may be marketed, but after it leaves his hands he knows nothing about what happens it, and I want to go briefly over some of the things that happen after that.

The wheat comes to Winnipeg and a man takes samples of it. I will not go into the details of how he obtains the samples; he is supposed to take seven or eight jabs through the car with his instrument in order to get them. These samples are brought into the inspection department where there are men to inspect it. The number and the name of the car are there but the grader knows nothing about who owns the wheat or anything of

that kind. The grader takes the weight of the grain, the moisture content, and outside of that, other than by the sense of sight, he has no means of grading. According to the standard that is set before him he decides into what grade that wheat shall go. After this is done, the box containing the sample is put into a large room on a table where anybody can go in and look at it. That looks quite innocent and harmless, but as soon as the samples are put into the room anyone in the grain trade, any man interested in a public or private elevator, or anyone interested in the milling business can go in and look at them. Some of these samples of wheat will be the tops in each of the grades, because there are three statutory grades, as they are called, then four, five, six and feed, which are called the commercial grades, as well as the off-grades in the different varieties. There are three statutory grades, and in addition grades 4, 5 and 6, and feed, which are called the commercial grades, as well as off-grades of different varieties. These men come in there and look at these samples of wheat of the different grades, and a man may say, "That is a good one." It may be graded No. 2, but he thinks it is a No. 1, and so he says, "I will take that. Ship it to my private elevator," or he may say, "Ship that to my mill. I am going to pay No. 2 price, but I am getting No. 1 grade." Or he may see a sample that is graded No. 3, and he thinks it is No. 2, and he says, "Send that to my mill. I am paying No. 3 price, and am getting No. 2 grade." This is what we call diverting the wheat, picking off the cream, and then it is shipped to the mixing elevators or to the mills to grind.

I should have stated earlier in my remarks that there are different grades of wheat and different standards for each of these grades. For example, there are No. 1, No. 2 and No. 3. These are called the statutory grades because they are fixed by law. The standards for these grades are fixed by the grain commissioners. Then there is No. 4, No. 5 and No. 6, the standards for which are fixed by our grain standards board, which meets in the fall of every year and decides what the standards shall be.

I want to speak for a moment with regard to our standards. When they come to pick a standard, they draw a sample of the wheat and say, "That will represent No. 1 northern," and of necessity they say that anything lower than that cannot be classed as No. 1 northern. Everything going into No. 1 northern must be as good as that sample or better, and similarily with No. 2 northern; everything going into No. 2 northern must be as good as that sample or better. In other words, if I were to set the standard at 90—100 being perfect—it means that everything going into No. 1 northern must be 90 or better, and in practice, if you will take all the No. 1 northern going to Winnipeg, you will find that it averages probably 95. Similarly with No. 2 northern. If I set the standard between 80 and 90, the average will work out to around 85, and so on all down the line for the other standards. When it gets through from the sample room, outside the inspection room, in Winnipeg or any other grading station, all the cream has been taken off and there is nothing left but skimmed milk, and the result is that this poor stuff is all sent to our public terminals, and the good stuff is all sent to our mixing houses and to our mills.

We will next consider what happens when the grain comes to Fort William or some other terminal elevator. When we come to our terminal elevators, we have two kinds, the public terminals and the private mixing terminals. In the public terminals the law prohibits mixing, and everything that is on the line is sent to the public terminals, because there is no mixing there. For instance, if a grade goes in No. 2, and the inspector by mistake calls it No. 1, that goes to the public terminal. Anything that is "off" goes to the public terminals and is stored there. On the other hand, anything that is above standard goes to the mixing houses, where mixing is carried on to such an extent that within the last two years what goes out of our private terminals is very little better than the grain in the public terminals. This mixing that takes place was never made legal until 1925, when the Grain Act was amended to make mixing legal in the private terminals. Before that it was illegal. Mixing is being carried on to a greater extent year by year, and conditions have become so bad that in the last few years the buyers in the old country have lost confidence in our standards. They look with suspicion on all our standards, and they insist upon seeing the grain for themselves to decide whether it is up to the standard or not.

To show you the extent to which mixing is carried on in the terminal elevators, let me quote from the returns that were given to me last year. In the year 1924-25 there was shipped into the private terminals, 123,919 bushels of Kota wheat, an inferior variety, not as good as hard, red, spring wheat. What did they ship out? They shipped out 8,310 bushels; in other words, 124,000 bushels disappeared—the mice ate it during the winter time. Next year, 1925-26, what happened? There were put into the private terminals

792,166 bushels of this Kota wheat, and there came out only 49,000 bushels—the balance disappeared. In the year 1926-27, 386,409 bushels went in and only 19,000 bushels came out. What happened? It is quite evident that this poor wheat was dumped into the good wheat, and the mixture was sold in the markets of the world as good wheat; nothing else.

Now let us see what happened to some of our wheat. Let me refer to the three statutory grades, Nos. 1, 2 and 3, and see what the out-turns were. In 1924-25, 16 million bushels of No. 1 were shipped into the private terminals; 20 million bushels came out—a truly wonderful increase during the winter time. Of No. 2, 15 million bushels were shipped in, and 14 million came out. Of No. 3, 16 million bushels were shipped in, and 25 million bushels came out. Next year the mixing was made legal, and they began to mix a little better, they were getting on to the practice a little more sharply. Of No. 1, 41 million bushels were shipped in and 47 million bushels came out. Of No. 2, 42 million bushels were shipped in and 42 million bushels came out. But of No. 3, although only 22 million bushels were shipped in, 33 million bushels came out. But let us see what happened to the crop of 1926, to be found in the return for 1926-27. We find they are now getting very expert, as these figures abundantly prove. They put in 14 million bushels of No. 1, and took out 18 million bushels; they put in 32 million bushels of No. 2, and took out 40 million bushels; they put in 14 million bushels of No. 3, and took out 27 million bushels. In other words, in that year they put in something like 56 million bushels of Nos. 1, 2 and 3 combined, and they took out in the neighbourhood of 81 million bushels of Nos. 1, 2 and 3 combined. That is, they took 25 million bushels of the lower grades and dumped them in with the 56 million bushels of the higher grades. And yet they turn around and tell you that they can do that and not lower the grade, that it is just as good as ever. Everyone knows that you cannot mix 25 gallons of water with 56 gallons of milk without very seriously diluting the milk.

Mr. GARLAND (Bow River): How many terminals does the hon. member refer to in his figures?

Mr. DONNELLY: To all the private terminals at Port Arthur and Fort William. This is the return given last year. More and more of this mixing has been carried on since 1925, when it was first made legal, and it has a bad effect in the old country. Last session before the select standing committee on agriculture and colonization documents were produced to us showing that buyers in the old country have lost confidence in our grades. Let me quote a letter written by F. W. G. Urquhart, secretary of the Liverpool Corn Trade Association, to F. J. Rathbone, secretary of the Board of Grain Commissioners for Canada.

Mr. ADSHEAD: What is the hon. member quoting from?

Mr. DONNELLY: From the minutes of proceedings and evidence and the report of the select standing committee on agriculture and colonization which sat last session. This is from page 156. This is the letter:

> There is no doubt whatever that, during the last two years—1926-1927, and 1927-1928, so far as the latter has gone—there has been a very serious deterioration in the quality and condition of Canadian wheat shipments, especially in respect of Manitoba wheat, grade No. 3 northern, and my directors cannot accept the explanation that the weather has been entirely responsible for the poor quality of wheat received in this country and on the continent.
>
> It is quite apparent that the standard sample of No. 3 northern Manitoba wheat, 1927, is greatly inferior to the relative standard for 1925. My directors submit that to try to maintain a regularity of standard from year to year is essential and, if Canada has an inferior crop, that it ought to be graded accordingly.

The report also contains another letter from the same gentleman, but addressed to the Prime Minister. Let me read it:

> In years gone by, complaints were few and far between, but since the autumn of 1926 they have been very numerous, and the confidence which the trade used to place in Canadian certificates has been badly shaken. My directors find that the whole United Kingdom and continental markets are becoming very dissatisfied with the arrivals of wheat under "Certificate Final" and unless matters improve they are quite certain that there will be a strong agitation to discontinue this method of trading and to insist upon buying on standard samples in the same way as trade is done with other countries, such as the Argentine and Australia.

The report contains other letters showing that the trade in the old country has lost confidence in our standards of wheat. At one time they looked upon our wheat standards as being just as good as Bank of England notes; they knew the wheat itself would be just as good as or better than the standard. They have lost confidence in it and will hardly believe that our wheat is up to standard until they find it so. I consider this a very serious matter. Our whole western country has built up its reputation on wheat, and here we find these men, who are merely mixing the wheat, degrading our standards. We have discussed

a good deal the advisability of raising the standards of our cattle, our horses, our pigs, our sheep, beef, fruit, butter, cheese and everything else; yet here is one commodity which has made western Canada, hard red spring wheat, which is being degraded by those who are only dealing in the commodity and not producing it. These men are degrading our standards, getting away with it, and making money in the process.

There are only two persons who in my opinion should be considered in the grading of wheat: one is the producer and the other the consumer. The producer has to grow a quality of wheat which will meet the demands of the consumer, and the consumer on his part expects to get the kind of wheat for which he is willing to pay. The English buyer is not paying any more for his wheat than he has to. He is a very shrewd buyer, and when the wheat reaches him he examines it carefully to see that it is up to quality. Perhaps he looks at a No. 3 and he says, "This is not as good as it used to be and I am not willing to pay the price for it. I would sooner have Irish wheat or Australian wheat or wheat from some other country". He pays only for the value he receives, because he is buying in the world's market. Make no mistake about that; he is buying in the world's market and the price he pays for this wheat determines the price the farmer in this country gets for his wheat.

In my opinion, not one dollar more comes to this country through this process of mixing wheat as it is going on at the present time than would come if there were no mixing. Not one dollar more comes into the country. The same amount of money comes in through mixing, but the point is that much of this money goes to the people who are doing the mixing instead of finding its way to the farmer. The mixer takes his toll, leaving the rest to the farmer; in other words, he is getting the cream while the farmer is doing the work. It is the interest of the farmer which we should look after, and not the mixer's. This is only one of the evils in connection with the grain business, but I consider it the greatest evil. If this mixing were done away with a great part of the trouble in connection with diverted wheat would cease. True, some skimming would still be done by the mills and by our American cousins across the line. But that is not the chief source of trouble; it is the diverting of wheat for mixing purposes.

I do not wish to delay the house on the question of the mixing of wheat, the evil of which I have emphasized. I wish, rather to refer to the resolution more particularly as regards the question of protein content, as one of the basic factors in grading. Our method of grading wheat to-day is very crude and unscientific. As I have said, we weigh it and take the moisture content, and then the rest of the grading is done by the sense of sight. If there is any method whereby we can make it more scientific, any means by which the producer may obtain a more equitable return for his wheat, this is a step in the right direction. There are many things in connection with the protein content of wheat which at the present time are attracting the attention of a number of wheat growers on this continent—considerations which, so far as I can see, are impracticable in this country. As regards carload lots shipped, either as graded storage or as special bin wheat, destined to the terminals at Fort William or Port Arthur or Vancouver, that could be graded and the protein content taken into account. But when it comes to the question of buying wheat in the country, when it comes to buying wheat at local elevators, of which there are hundreds all over the country, I do not see how we can make the protein principle applicable. I do not see how the country buyer can purchase a load of wheat from the farmer, either in a truck, or in a wagon, and then tell how much protein there is in it in order to give the farmer a just return for his wheat. The question has been worked out to a certain extent in the United States, in Kansas and Minnesota, where I understand they are looking into the subject at the present time. The grain commission which is sitting in Saskatchewan at the moment has expressed the intention of visiting Kansas to investigate the question, to see whether it is not possible to have the principle applied to grain in Canada. If it could be done it would, I think, be a step in the right direction.

I wish to say a word or two, in connection with this resolution, regarding grain grown in my own constituency. The grain grown in that constituency is grown on the bald prairie, where there is no excess of moisture; it is produced on a more or less sandy loam soil. In that district we get wheat which is higher in protein content than that grown anywhere else in this country—indeed, higher in protein content than wheat grown anywhere in

the world. It is the best hard red spring wheat produced anywhere. Wheat grown under those conditions must of necessity be small in the berry; it has not a large starchy kernel. Yet the people who are growing this wheat do not receive an equitable return for their crop. In other sections of the country, where they grow a wheat with a big berry and a starchy kernel, giving a big yield, they get the same price as is paid for the other wheat. That is not fair, and if there is any method whereby the growers can receive for their wheat a return according to ingredients I am heartily in favour of it. Before concluding I wish to move the following amendment, seconded by the hon. member for South Battleford (Mr. Vallance):

That all the words after the word "That" be struck out and the following substituted therefor:

"in the opinion of this house, consideration should be given to including protein as a factor in the statutory definitions applying to all contract grades of wheat in the western inspection division and that this matter, together with its effect on existing methods of inspecting and grading wheat, be referred to the select standing committee on agriculture and colonization and report thereon.

Mr. ROBERT GARDINER (Acadia): When on Friday last the Prime Minister (Mr. Mackenzie King) was requested to permit this resolution and the previous one to be debated on Monday, and when they were consequently made special orders of this house, we did not anticipate that the former resolution would take up so much time before being disposed of. There are several members in this corner of the house who desire to discuss to some extent the resolution now under consideration. We realize, however, that the house has been delayed by the debate which has been just concluded, and I merely wish to state that so far as we are concerned we are quite willing that the present resolution shall go immediately to the select committee, reserving our right, when the report comes back, to debate it at such length as we may determine.

Mr. VALLANCE: There are a number of members from Saskatchewan and also from Manitoba sitting on this side of the house who are interested in this question, and I understand it is agreed that if this amendment is adopted we are reserving the same right as has been reserved by the hon. member for Acadia (Mr. Gardiner).

Amendment agreed to.

Motion as amended agreed to.

On motion of Mr. Mackenzie King the house adjourned at 5.55 p.m.

[Mr. Donnelly.]

Thursday, March 7, 1929

The house met at three o'clock.

BUSINESS OF THE HOUSE

CHANGES IN MEMBERSHIP OF STANDING COMMITTEES

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, on behalf of the Prime Minister I beg to move that the name of Mr. Garland (Bow River) be substituted for that of Mr. Luchkovich on the select standing committee on marine and fisheries, and that the name of Mr. Luchkovich be substituted for that of Mr. Garland (Bow River) on the joint committee of both houses on printing.

Motion agreed to.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, on behalf of the Prime Minister I beg to move that a message be sent to the senate to acquaint their honours that this house has substituted the name of Mr. Luchkovich for that of Mr. Garland (Bow River) to act on the part of the House of Commons as a member of the joint committee of both houses on printing.

Motion agreed to.

PRIVATE BILL

FIRST READING

Bill No. 73, respecting the Canadian Dexter P. Cooper Company.—Mr. Hanson.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GERMAN IMMIGRANTS AT TORONTO

Mr. CHURCH:

1. What steps to enforce the Immigration Act are or have or will be taken by the Department of Immigration in reference to some thirty or more Germans illegally brought into Canada by the Rapid Grip Company of Toronto, to take the places of strikers locked out?
2. Will said German workers be deported in accordance with the Immigration Act? If not, why?
3. On whose orders were these immigrants admitted and who signed the permits and made the applications for admission?
4. Will those responsible be prosecuted under the provisions of the Alien Labour Act?
5. Has or will the attention of the Attorney General of Ontario be called to this open breach of the Alien Labour Act by the Immigration or Labour Department?

Mr. FORKE:

1. The Department of Immigration has had no correspondence or communication with the

Rapid Grip, Ltd., Toronto, about importation of labour. The Trade Engraving Company of Toronto approached the department some months ago about importation of photo engravers and offset engravers. The company was advised to ascertain whether this labour could not be secured in Canada. No permit of any sort was issued by the department for the admission of any class of labour for this company, but the records show that during November, December and January last, 8 French, 5 German and 2 Swiss immigrants describing themselves as photo engravers or related occupations were admitted to Canada destined to the Trade Engraving Company, Toronto. These men were admitted in the regular way on compliance with the regulations applicable to such nationals.

2. The Department of Immigration is not aware that any of the workmen referred to in paragraph one are deportable.

3. Answered by No. 1.

4. Section 13 of the Alien Labour Act provides that "This act shall apply only to the importation or immigration of such persons as reside in or are citizens of such foreign countries as have enacted and retained in force, or as enact and retain in force laws or ordinances applying to Canada of a character similar to this act. France, Germany and Switzerland have no laws or ordinances of a similar character applying against Canada.

5. Answered by No. 4.

DR. L. E. BORDEN

Mr. ESLING:

1. Has Dr. L. E. Borden, medical examiner in West Kootenay, British Columbia, for the Department of Pensions and National Health. been dismissed?
2. If so, for what reason?

Mr. KING Kootenay):

1. Dr. Borden has not been dismissed.

2. Answered by No. 1.

COAL MINING MACHINERY—IMPORTS

Mr. CANTLEY:

1. What was the value of all coal mining machinery other than stone dusting equipment imported into Nova Scotia during the calendar year 1927?
2. What was the value of such machinery which was duty free?
3. What was the value on which duty was paid?
4. What was the total duty paid on such machinery?
5. What was the value of all stone dusting equipment imported into Nova Scotia during the same period?
6. What was the total duty paid on said stone dusting machinery?

Mr. EULER:

1, 2, 3, 4, 5, and 6. Imports of "Percussion coal cutters, coal augers and rotary coal drills and complete parts," entered for consumption in the province of Nova Scotia in the calendar year 1927, amounted in value to $1,170, and the import duty collected was $234.

This is the only coal mining machinery and equipment which is separately classified for statistics, and the department has no record of the separate value of other machinery of this class imported or of the duties collected on such imports.

ALFRED PEAT BOG EXPERIMENTS

Mr. CANTLEY:

1. When did the government of Canada first begin experiments in connection with the Alfred peat bogs?
2. How much has been paid out by the government of Canada in connection with that enterprise?
3. How many tons of peat fuel have been dug, raised or produced?
4. What has been the average cost to date per ton of peat recovered?
5. How many B.T.U. does a ton of that fuel contain?
6. How many B.T.U. does a ton of Old Sydney Mine (Nova Scotia) bituminous coal contain?
7. How many B.T.U. does a ton of Welsh anthracite coal contain?
8. Is it the intention of the government to continue to spend money on the peat bog at Alfred?
9. Has the anticipation of the Minister of Mines, as expressed in the house last year, been realized?

Mr. STEWART (Edmonton):

1. 1910.

2.

1907-08	$ 254 60
1908-09	556 66
1909-10	11,528 47
1910-11	8,313 93
1911-12	5,839 97
1918-19	32,597 13
1919-20	32,619 48
1920-21	42,822 62
1921-22	43,317 35
1922-23	24,075 92
1923-24	2,520 57
1924-25	338 07
1926-27	22,898 27
1927-28	64,128 80
1928-29 to Feb. 28, 1929	43,597 08
Total expenditure	$335,408 92

3. Approximately 30,000 tons.

4. Average cost of peat recovered since experiments in connection with the Alfred peat bogs were undertaken by the government of Canada, has never been determined.

From results of experiments and operations, costs of peat fuel based on full season's operation under commercial conditions, was estimated, viz. $3.50 per ton f.o.b. siding—this figure including all overheads.

5. Dry, 18,940,000 B.T.U.s.

6. Dry, 27,580,000 B.T.U.s.

7. Dry, 28,840,000 B.T.U.s.

8. Not unless Peat Fuels, Limited, fails to reimburse the government the sums expended in remodelling the plant under agreement between the government and the company.

9. As regards technical demonstration and commercial possibilities of present plant—yes. As regards production of 15,000 tons of fuel—no. On account of abnormally wet weather conditions only 10,000 tons of peat fuel were laid on drying field.

TRURO POST OFFICE—ADDITION

Mr. MacNUTT:

1. Is the present addition to Truro post office being done by contract or on a cost plus basis?

2. If by contract, what is the name of the contractor and the amount of tender?

3. Has the firm awarded this contract headquarters in Nova Scotia or New Brunswick?

4. What are the names of the several firms or individuals who tendered for this work, and the respective amounts of each tender?

5. What is the name of the inspector in charge, and what amount of salary does he receive for his services?

Mr. ELLIOTT:

1. By contract.

2. (a) Robert Ed Company; (b) $17,966.

3. At Moncton, N.B.

4. Robert Ed Company, Moncton, $17,966; Howard Hayman, Truro, $18,652.

5. (a) Gordon J. Hayman; (b) $125 a month.

FOOD SALES TAX, 1927-28

Mr. BENOIT:

What amount was collected by the Department of National Revenue from sales tax on articles of food during the year 1927 and 1928, respectively?

Mr. EULER:

Collections of sales taxes are recorded in total amounts without classification of the various commodities to which they are applied, and the department has no record of the amounts collected on articles of food.

QUESTION PASSED AS ORDER FOR RETURN

MUTTON AND LAMB IMPORTS, 1928-29

Mr. KENNEDY:

1. What are the monthly import figures for mutton in each of the months of the years 1928 and 1929 from, (a) New Zealand, (b) Australia, (c) United States?

2. What are the monthly import figures for lamb in each of the months of the years 1928 and 1929 from, (a) New Zealand, (b) Australia, (c) United States?

3. What was the price per pound in each case of all such imports?

4. What is the percentage of mutton and lamb in each month from, (a) New Zealand, (b) Australia, (c) United States?

5. Is mutton imported from other countries allowed to be sold in open competition with Canadian lamb?

6. Are there any regulations controlling the distribution of imported mutton in Canada? If so, what are they on, (a) frozen mutton, (b) other mutton?

CANADIAN FARM LOAN BOARD

LOANS TO BRITISH COLUMBIA

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, perhaps the hon. Minister of Finance (Mr. Robb) can give me a little information with regard to a despatch which appears in to-day's papers from the Canadian Press correspondent at Victoria. This is the despatch:

Farm loans should be available to British Columbia agriculturists by May 1, according to an announcement given out here to-day by Dr J. D. MacLean, chairman of the Canadian Farm Loan Board.

I would ask the minister, first, if he is in a position to confirm the statement made in this despatch; and, secondly, as I do not see provision in the present estimates, what provision will be made to supply funds for the loans so to be granted?

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, I understand that under the act as passed provision is made for organization. Dr. MacLean, the chairman of the Farm Loan Board, was to visit the different provinces and arrange with the provincial authorities to complete their organization. I gather from the despatch that he has come to some understanding with the province of British Columbia.

Mr. STEVENS: Would the minister please answer the questions, which are based upon the statement of fact quite properly reiterated by him? First, will he confirm the accuracy of the despatch and say if these funds will be available by May 1; and, secondly, what provision will be made to provide the funds?

Mr. ROBB: I can only repeat that I understand provision is made for this under the act. I have had no communication from Dr. MacLean since he left Ottawa.

COAL IMPORTS FROM RUSSIA

On the orders of the day:

Hon. CHARLES STEWART (Minister of Mines): The hon. member for Pictou (Mr. Cantley) asked me a question a week ago with reference to imports of Russian anthracite. Our records would indicate that there came to Montreal prior to the close of navigation, 1 cargo, 5,000 tons gross; to Portland, 2 cargoes of 5,000 and 5,500 tons gross; and in transit 1 cargo of approximately 5,000 tons, or a total of 20,500 tons.

ST. LAWRENCE WATERWAY

BEAUHARNOIS POWER PROJECT—APPLICATION FOR APPROVAL OF PLANS

On the orders of the day:

Hon. J. C. ELLIOTT (Minister of Public Works): In answer to a question asked yesterday by my hon. friend from Bow River (Mr. Garland) with reference to the application of the Beauharnois Company, as to whether or not that application would be included in certain returns, I may say that on inquiry I find that it was included in a return which was tabled on May 30 last.

SEVEN SISTERS FALLS

INQUIRY AT WINNIPEG

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Has the commission which is now investigating matters in connection with the Seven Sisters question in Manitoba received authority to proceed to California?

Hon. CHARLES STEWART (Minister of the Interior): That authority would come from Manitoba and not from this department.

THE BUDGET

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

The house resumed from Friday, March 1, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. HUGH GUTHRIE (South Wellington): In rising to make some observations in regard to the national budget which was presented to this house on Friday last by the Minister of Finance, let me in the first place congratulate my hon. friend the minister on the lucidity of his annual statement upon the present occasion. Let me also congratulate him upon the precision of his language in regard to certain important announcements which he made in his address to this house, and also upon the concise manner in which he laid the financial transactions of Canada before us. Subject to some observations which I may have occasion to make later on, let me say that we on this side of the house rejoice with those in every other quarter of the house that Providence has continued to shower upon this country unbounded prosperity; and if we on this side are inclined to attribute the major portion of the credit for this happy condition of affairs to a beneficent Providence and to the intelligence and industry of our people rather than to the government little surprise will be felt that we take this attitude. Indeed, on occasions of this kind, one is inclined to speculate how much greater, how much wider and how much more evenly distributed that prosperity might have been in this country had we in power in Canada today a government more fully alive to the possibilities of this great country, and to the rights and interests of every class of the citizens of this Dominion.

Personally I express my own satisfaction that the Minister of Finance on this occasion has given us a clearer and, if I may say so without offence, a much more candid statement of our financial affairs than was his wont on former occasions. And I state also my personal opinion that the statistical information which he has laid before parliament on this occasion will probably serve to remove from discussion some at least of the controversial points of previous discussions.

I think we may now take it as fairly well settled that the net debt of the Dominion of Canada on March 31 next will be the sum of $2,227,068,000, as stated by the Minister of Finance. This has always been a more or less controversial point. We have never had very serious controversy about the funded debt of the country, but I am glad to note that in his speech last Friday the minister for the first time took serious account of what we know as the funded or bonded debt or, as he put it in his remarks, the dead weight debt of the Dominion of Canada. That, after all, is the important item in the financing of this country. The net debt is not a matter of the greatest consequence; in England they never refer to it at all. There they use the one term "dead weight debt", and I am glad that the minister has used that term on this occasion, because that is the debt which counts. It is the amount for which the government of this country has issued in solemn form its bonds and obliga-

tions, signed, sealed and delivered, which bonds are now held by people who have invested in our securities. These bonds have to be paid at maturity, and in the meantime interest must be met. They therefore constitute the real burden which the people of this country are compelled to carry.

The net debt is comparatively unimportant; it is a matter very largely of bookkeeping and depends upon how you see fit to estimate the value of your assets. We have assets that are certainly good liquid assets, but we have a lot of assets in this country which we carry as non-active assets, and if you want to transfer some of these non-active assets to the active list you can immediately decrease your net debt. It is, I say, a matter largely of bookkeeping. But the debt which counts is the dead weight debt.

Now we may take it from the statement of the minister that the dead weight debt in this country, as of March 31 instant, will be the sum of $2,330,835,000. That dead weight debt stood on the books of Canada on March 31, 1922, when this government first assumed power, at $2,420,000,000. So that after seven years of financing by this government there is a reduction in the dead weight debt of Canada of $90,000,000, or an average reduction of $13,000,000 per annum since the government took office.

Mr. Speaker, I consider an annual reduction of the dead weight debt of $13,000,000 a fairly substantial payment. I think that under all the circumstances it should have been more. But I am not altogether dissatisfied with the reduction of $90,000,000 in seven years. I submit to the minister that without further delay in this matter he should present a definite scheme to this house for the retirement of the whole of the dead weight debt. Every year for the past three or four years this question has been brought to the attention of the minister. Year after year he has evaded it; he has said nothing to the house respecting it, although last year, I believe, he did allege that some man named McCulloch, writing on financial questions in England some eighty years ago, had declared that the system of payment of debts by way of sinking fund was unsound. That is the only reason the Finance minister has given the house for his refusal to adopt a definite scheme for the retirement of our debt. I can only tell my hon. friend the Minister of Finance that the government of Great Britain, in spite of Mr. McCulloch's language, has adopted a definite scheme of debt retirement; they have done so in France; they have done so in the United States in regard to their war debt and they have done so in the province of Ontario in regard to the provincial debt. In each of these instances in thirty, forty or fifty years as the case may be these dead weight debts will be paid off. It was pointed out last year in this house by my leader that if the Minister of Finance would appropriate out of his enormous revenues the sum of $19,000,000 a year as a sinking fund, even with interest at only 4 per cent in forty-five years the accumulation of this fund would pay the whole of the dead weight debt of this country; or if $19,000,000 per annum is too much—and I submit it is not—if he took the sum of $15,000,000 per year, in fifty years we would wipe out the dead weight debt of Canada.

There is much to commend such a step to any reasonable man in this proposal. In the first place a system of that kind enhances the credit of the country in the financial centres of the world. When you go to the money markets of the world and the money lenders find that you have established a definite system of debt retirement by means of sinking funds, your credit is enhanced immediately. The province of Ontario has found this to be so in the New York market; they can now borrow money in New York on their bonds more cheaply than was the case formerly. We could do the same for the Dominion, and thus enhance our national credit. This was done in Great Britain, and while there never was a doubt about British credit yet they have re-established that credit in the eyes of the world on a firmer basis than ever before. We could do so also.

But there is still a further element worth considering in this connection. A definite commitment of $15,000,000 or $19,000,000 a year to be taken from the treasury for the payment of funded debt would prevent the accumulation of an unnecessary amount of money in the treasury, which is always a great temptation to a minister, to a government or to a private individual to relax anything in the nature of economic principles, and a great temptation to indulge in a course of extravagant expenditure. The adoption of such a system, which would permit us annually to take from our treasury a definite sum of money, would act as a serious check upon the spending propensities of the present government, and I trust the Minister of Finance will seriously consider this matter and next session bring in some plan which may be adopted by the house in regard to this question.

Now I pass on to the surplus announced this year by the minister, a surplus which in some respects is very creditable. A surplus

in this country is arrived at in a prosperous year very simply; all the receipts of the government go into a single fund known as the consolidated revenue fund; all payments for the management of the business of the country are made from that fund. If the receipts are greater than the expenditures in any year there is a surplus, and if the expenditures exceed the receipts there is a deficit. This year the minister has announced a surplus of $99,000,000, out of which he proposes to pay in capital charges and special expenditure the sum of $29,000,000, leaving in round figures a net surplus of $69,000,000, with which he says he has reduced, or on March 31 next will be able to reduce, the net debt of this country by at least $50,000,000. For some reason best known to himself, when the Minister of Finance makes financial comparisons he studiously avoids any reference to the year 1923; he always starts his statements and comparisons with the year 1924, and his reason for so doing is purely artificial. He should start with the fiscal year 1923. Mr. Fielding was in control of the treasury then, and Mr. Fielding always assumed full responsibility for the financing of Canada during the year 1923. The Minister of Finance has announced that from the year 1924 to the year 1929, inclusive, he has been able to reduce the national debt by the sum of $226,000,000, or an average annual reduction of $37,700,000. Had he included the year 1923, as he should have done, his average reduction per annum would have fallen from $37,700,000 to $27,860,000, but because the year 1923 was not a very favourable year in Dominion financing, in all or nearly all the statements of the present Minister of Finance he deliberately excludes that year from his calculation.

In the year 1923 and in the year 1922 we had to add to the debt of this country. We had surpluses in those years, just as the minister has surpluses now, but perhaps it would be as well for Mr. Fielding himself to explain the financing of those two years. Those who heard him make his financial statement in this house on June 10, 1923, will recall his language; speaking then of the fiscal year 1922, which closed on March 31, 1923, he would have nothing to do with it although he was Minister of Finance during 1922, but he assumed full responsibility for the following fiscal year 1923. Well, he closed the year 1922 with a pretty handsome surplus, amounting to $34,000,000; out of this surplus he paid capital charges and special expenditures amounting to $18,000,000, so he closed that year with an actual cash surplus of $16,000,000. Then, however, he was met with deficits and cash requirements on the part of the national railways and the merchant marine; that year these demanded from him a sum of no less than $97,000,000. He had only $16,000,000 of surplus in the treasury, and consequently had to borrow money to make up these railway deficits, and in doing so increased the debt of Canada for that year by $81,000,000. The following year practically the same thing happened; he closed the year with a surplus of $62,000,000 in the treasury, which is a fairly substantial amount. He paid all the capital and special charges, amounting to $24,500,000, leaving a balance in cash of $37,500,000. However, war demobilization, the merchant marine and the national railways again demanded the sum of $68,000,000, so instead of having a cash surplus of $37,500,000 that year he added to the debt of the country by $31,000,000, and it is by reason of that addition to the debt in 1923 that the present Minister of Finance carefully excludes that year from all his calculations

Mr. Fielding did just what his predecessors in office had done. When there were deficits with respect to the Canadian National Railways; when money had to be supplied them for other purposes as well as deficits he put his hand in the treasury, took out the money and paid the charges and charged them to the debt of Canada. After Mr. Fielding's time, however, a change took place and we entered upon a new era of railway financing. I do not say that the new scheme is not good and sound; in fact I prefer it to the old scheme. Under the new scheme railway finances are kept separate as far as possible, whereas under the former government and in Mr. Fielding's time the treasury stood all the losses, and these losses were added to the debt of Canada. The railway now issues its own bonds and the government of Canada guarantees them by endorsement on the back of the bond instead of, as in the old days, signing the front of the bond. That is practically the only difference in the two systems, but it makes an enormous difference with regard to the financial accounts and statements of the Dominion of Canada. The Minister of Finance announced a surplus of $99,000,000 for the past year's operations, and of course there was tremendous applause from the government benches when that announcement was made. But let me say, Mr. Speaker, that the record of this government, starting with the year 1923 up to the present year inclusive, is scarcely one whit better than the record of its predecessor. The public accounts of this country disclose the fact, astonishing to some people, that the surpluses under the

preceding government were but little below what they have been under the present government. I do not know whether the laughter of the Postmaster General (Mr. Veniot) is caused by the statement I made. If so, I can only—

Mr. VENIOT: Surely I have the right to laugh.

Mr. GUTHRIE: I can only state that he is absolutely ignorant of the public accounts of Canada. I propose to place on Hansard a statement from the public accounts of Canada. These have been laid on the table of the house by the Minister of Finance, and no one in the government can repudiate the figures because they are laid before us as the actual results of Dominion financing. I will start with the year 1917, when the Union government was formed, and give the surpluses which appear on page 45 of the public accounts:

1917	$84,101,950 77
1918	82,494,639 72
1919	80,215,464 20
1920	45,902,404 80
1921	73,268,391 39
1922	34,391,696 36

The aggregate of surpluses for the six years amounts to about $400,374,000, or an average surplus per year of $66,729,000. We will now give the record of the Liberal government, starting with the year 1923:

1923	$62,321,167 91
1924	72,024,492 47
1925	27,942,578 00
1926	60,085,026 44
1927	79,147,603 79
1928	86,550,021 70
1929	99,742,000 00

The aggregate for these years amounts to about $487,812,000, or an average per year of $69,687,000, or just about $3,000,000 more per year of surplus under the Liberal government than was the case under the Conservative government which preceded it. I make that statement largely in view of the fact that during the present session the Prime Minister (Mr. Mackenzie King) flourished the public accounts in our faces when we were discussing the building of national highways. He referred to the fact that during the years I have enumerated, under the Conservatives the debt of this country had been materially increased. That was a most misleading statement, and no one knows better than the Prime Minister that the increased debt of those years was due to two causes, and two causes only. During those years we had practically as large surpluses and spent far less money on consolidated fund account than has this government, but the acquisition of the Canadian National railway system and the conduct of Canada's part in the Great war accounted for the increased debt of the country. I submit, Mr. Speaker, that the finances of the Canadian National railways are so inextricably interwoven with the finances of the Dominion of Canada that one cannot get a fair picture of either situation when viewing them separately. To a large extent they must be considered together and I am glad that the Minister of Finance has treated them in that way on this occasion. The interests of this country are deeply wrapped up in that great railway undertaking. It is by far the largest financial concern which this country has. Does the house realize just what it involves? I cannot give the precise figures with regard to the national railways for the year just closed, because the statement has not been issued, but I can take the financial statement of the preceding year as a basis and account for certain changes in figures which have occurred in the interval and which have come to the knowledge of the house.

I find that the Canadian National system had a bonded debt to private bondholders amounting to $981,000,000, as of January 1, 1928. According to the statement made to this house by the Minister of Finance, this year the bonded indebtedness will be increased by the sum of $44,000,000. These figures disclose the fact that the bonded indebtedness of the Canadian National railway system to the public has now passed the billion dollar mark. What about the Dominion of Canada's interest in that system? On January 1, 1928, Canada was a creditor of that system to the extent of $1,258,000,000; the total indebtedness of the road as of that date was $2,239,000,000. I give these figures in order that we may understand the tremendous financial undertaking in which we are involved in regard to these national railways. The result of operations for last year was very gratifying, and I would ask the Minister of Finance to note that the treasury of this country has been relieved very substantially for the last four or five years through the successful operation of Canada's national railway system. On January 1, 1924, an announcement was made by the president that for the first time in its history the national system had produced a net revenue over operating expenses, for the year 1923, amounting to $4,155,000; in 1924 that revenue had increased to $18,000,000; in 1925 it had increased again to $33,000,000; in 1926 the revenue was $48,000,000; in 1927 it dropped back to $42,000,000; and for 1928 we have the wonderful result of a surplus in net operating expenses amounting to $58,000,000.

It will take $50,000,000 of that amount to pay the interest on the bonds which the public hold. I understand the management of the road will pay that interest this year and will still have on hand a balance of $8,000,000 for other purposes. But what about the money it owes to the Dominion treasury? The minister intimates that the sum of $32,000,000 odd is owed this year to the government for interest. It is put down in the books as a debt of the railway but is purely a bookkeeping transaction and I presume it will be added to the $1,258,000,000 which the company owed to us at the beginning of the year, making the total indebtedness of the system to the Dominion treasury about $1,300,000,000 and to the public about $1,000,000,000.

In respect, however, to the national railway we on this side of the house are all optimists. We look upon that railway as practically our own infant and our own creature. Those of us who were in parliament—it is perhaps pretty far back—in the early days prior to 1911 know there was great activity in railway building in this country in those years. We far outbuilt the requirements of the Dominion of Canada as they existed at that time, but personally I am not in a position to offer any criticism whatever of the railway undertakings of those days because I was one of those who supported the proposals. However, early in the years of the war something in the nature of a national catastrophe was imminent to the Dominion of Canada in respect of our railways. The very extensive system known as the Canadian Northern, with all its subsidiaries and all its ramifications, became seriously involved financially. The government had to come to its rescue to the extent of an enormous amount of money and the only security which we could obtain from the Canadian Northern system was a blanket mortgage upon the whole undertaking and a transfer of sufficient of the shares in the various companies to give the government control of the whole undertaking. Apart from the granting of substantial aid, financial disaster loomed ahead of us. The Grand Trunk Pacific came next; insolvency stood at the door of that railway; the road was in fact insolvent. In that case we went to the exchequer court and asked that the affairs of the Grand Trunk Pacific be taken from the management which was then the old Grand Trunk company, and that it be placed in the hands of a receiver. It was placed in the hands of the Minister of Railways of Canada as receiver. No sooner had these matters been temporarily arranged than the financial difficulties of the old Grand Trunk railway system became only too apparent. That road was absolutely insolvent. Canada was threatened with railway insolvency on every hand. Moreover, across the ocean in France and Flanders we were carrying on Canada's part in the greatest war in history. There was serious financial calamity awaiting us at home unless speedy action was taken to relieve the railway situation and at the same time hundreds of millions of dollars had to be supplied to carry on the war. Such then was the critical situation in this country in the years 1918 and 1919.

The leader of the government (Mr. Mackenzie King) was not, I think, in the house until September of the year 1919, when he was returned for a constituency in Prince Edward Island and came back to the house as leader of the Liberal party. But he was present in the house during the second session of 1919 and I recall with the greatest distinctness what transpired during that session. So will my right hon. friend; so will the Minister of Finance; so would the Minister of Justice (Mr. Lapointe) if he were in his place. A great fight was then waged by the Conservative party to take over these three railway systems that had gone into bankruptcy, reorganize them, consolidate them and make them into a Canadian National railway to be owned by the people of the Dominion of Canada. This was the only way to save the country from what might have been national bankruptcy. Indeed, in spite of what we did, the prediction of national bankruptcy was made in the city of Montreal by so great a financial authority as Sir Lomer Gouin and other prominent persons.

We had a bitter fight in the session of 1919 in the old museum building, where we then sat, but we were fortunate in that great fight to have a very brilliant man to lead our forces in regard to the railway problem. I refer to the Right Hon. Arthur Meighen, who I believe was the first public man to realize the full gravity of the situation and who was at all times the great factor in engineering our way out of our railway difficulty. He formulated a definite plan; he produced it before parliament. It was immediately opposed in the bitterest manner by the Liberal party in the House of Commons, by the Liberal party in the Dominion of Canada and, I regret to say, by many friends and some newspapers otherwise friendly to the Conservative party. Mr. Meighen had a tremendous task ahead of him. Day in and day out in the old museum during the session of 1919 the railway bill was fought to a finish. Every kind and method of opposition was urged

against it. Nothing was left undone or unsaid by our opponents. We were told that we were going to bankrupt the Dominion of Canada. It was claimed that those roads should be put into liquidation, go through the exchequer court of Canada and be put on the auction block. If such a course had been followed there was only one power in Canada to purchase them and that power would have been able to create the greatest railway monopoly ever created in any country in the world.

I remember some of the amendments that were moved on that occasion and I will mention one or two of them. Under the guidance of Mr. Meighen that bill was fought through the house. Amendment after amendment was moved to defeat it. The late Hon. D. D. McKenzie moved that the matter be dropped and not considered for the present time. His motion was defeated. Then came a motion by Mr. Denis, at that time member for Joliette and until recently a member of the house. His motion was defeated. Then there was a motion by the Right Hon. Mr. Fielding to appoint a royal commission to inquire into the whole matter, his object being to defeat the bill and to destroy the government as well. His motion was defeated. After that followed a motion by my right hon. friend the present Prime Minister on the third reading of the bill, just before it was passed, a motion to recommit it to the committee of the whole house, which constituted a want of confidence motion in the government on the third reading. It was intended to defeat the government and to destroy the bill. There followed another motion, which to-day seems rather ludicrous, moved by the hon. member for Quebec West (Mr. Parent). I would like to recall to the house the amendment which he moved. On the third reading of the bill the member for Quebec West formally moved that in the opinion of the House of Commons, as the Grank Trunk railway had terminals in the United States, our taking this road over as a national undertaking would involve us in annexation to the United States. Such of course were not the exact words of the amendment but merely the sense of it. At this distance of time it would seem impossible that any man would vote for a proposal of that kind, yet in the division list I find the following names—King, Lapointe, and others. Our good friend the Minister of Finance was cute; he ducked that vote; his name does not even appear in the list of pairs. When the Liberals had exhausted every effort to beat us, when they had tried everything in their power to destroy that measure and prevent the nationalization of these railways, the present Minister of Finance was put up to lead the final attack, and in the early hours of the morning he solemnly moved that the bill be given the six months' hoist. Again I look at the division list, and I find amongst those who supported the six months' hoist to destroy that measure, the following names: King, Robb and Lapointe. Such was the attitude of the Liberal party at that time, and of the Liberal press, and also as I said before, of an influential part of the Conservative press of Canada. They were all mistaken, badly mistaken in their judgment. The Liberals tried by everything in their power to destroy that measure but they failed. With them it was a case of the spirit being willing, but the flesh was weak.

Mr. ROBB: My hon. friend has an excellent memory. Will he tell us what was the attitude and the speech of his present leader (Mr. Bennett) upon that occasion?

Mr. GUTHRIE: My leader was not a member of the house at that time. My hon. leader did not run in the election of 1917, as the minister will remember.

Mr. MACKENZIE KING: Was it not true that that session was a special session called for the purpose of approving the peace treaty, and not a session called for the purpose of dealing with railway matters?

Mr. GUTHRIE: It may have been as my right hon. friend suggests, but I know that ninety per cent of the discussion at that session centered around the railway question. Two great volumes of Hansard are full of that discussion, and of little else. No, Mr. Speaker, hon. gentlemen opposite had no faith in a national railway system then, and they tried to kill it at its birth, and for two or three years afterwards they continued their efforts to destroy it. Why, even when the present government first obtained power, in the very first speech delivered from the throne, a speech penned by my right hon. friend the Prime Minister, he takes occasion in that speech to remark:

> The transportation system weighs heavily upon our national finances.

Some hon. MEMBERS: That was right.

Mr. GUTHRIE: Certainly, that was true in the early days, and it accounted for a very large part of the additions to the national debt, but even at that time my right hon. friend the prime minister had not become a convert either to the nationalization of the railways or to public ownership in general. He only took it on trial; in fact, it was popularly supposed by those outside the secrets of the cabinet that the system was going to be broken up, and not continued as a national

undertaking. There were strong influences pulling the government this way, but other influences pulling them in the right direction, of course, and the government finally agreed just to feeling its way, and the Prime Minister made the Governor General say with great caution in the speech from the throne that he had decided "to give government ownership and operation a fair trial."

Mr. MACKENZIE KING: A pretty good decision.

Mr. GUTHRIE: Yes, and a reluctant one, too. My object, Mr. Speaker, in going into these old matters is this: Now, when this wonderful Canadian National railway system has more than justified itself, now, that it is rapidly becoming in the nature of a great national asset, now that we may look forward to a day, not perhaps in my lifetime, but in the lifetime of some here, when this system will start repaying the government of Canada part at least of the money it owes to the treasury, to the day when it will have a clean sheet, as it ultimately will have, in regard to its bonded indebtedness to the public; now that the system is in this, a thoroughly prosperous condition, this government desires to treat it as its own creature. Whereas in 1919 it tried to cast it out as base-born, now it wants to consider it as its legitimate offspring, and to profit by its success. Let me say, in concluding my remarks on this phase of the subject, that the national railway system in this country constitutes a lasting monument to the ability and statesmanship and determination of a single man, a member of a former Conservative government, and subsequently Prime Minister of that government. It is to his ability and foresight, to his statesmanship and determination that the people of Canada are indebted for this wonderful system of national railways.

There is another question in the budget which I think we should carefully consider, and that is the question of the cost of government in this country. The cost of government in this country is going up so rapidly that it is now out of all proportion with the advances which the country has made either in business or in population. When this government first came into power, I grant that they endeavoured to make some effort to reduce expenditure. Mr. Fielding, I fancy, did his best in that direction. For the year 1923, according to the public accounts we spent $350,000,000; in 1924, Mr. Fielding reduced that to $344,000,000; in 1925, he further reduced it to $339,000,000, and then, perhaps unfortunately for the country he retired from office. His successor the present Finance minister came into office at a time when the annual expenditure was $339,000,000. The first year after he assumed office the expenditure jumped to $343,000,000; in 1927, to $346,000,000; in 1928, to $360,000,000, and for the year just closed, according to the minister's own figures on Friday last, the expenditure was $385,000,000. Starting with an annual expenditure of $339,000,000 when he took office in 1925, he has increased that expenditure to the enormous figure of $391,000,000 to-day, or an increase in a few short years of $52,000,000 in annual expenditure. The business of the country has not increased in that ratio; the population of the country has not increased in that ratio; conditions in Canada do not warrant such an increase, and what, I would ask, has the minister been doing with the money? We on this side say he has been spending it recklessly and extravagantly.

When we come to the estimates which the Minister of Finance has laid before parliament for the coming year, we find that they show for next year another increase of $6,355,000 over last year But the minister is not required to spend this year all the money that he spent last year. He announces on the first page of the estimates which he has just presented to the house that he has a sum of $3,495,000 less in interest to pay this year than last; that is a large saving. We also know that there was an item in the labour estimates last year of $1,100,000 for technical education which will not be required this year. Again, last year he had to pay out $500,000 for a house for our ambassador at Washington. I hope he will not have to pay out a similar amount this year for a house in Tokyo. These three items should reduce the expenditure this year $5,095,000, and yet the minister is going to increase his expenditure by $6,355,000, or a total increase this year of between eleven and twelve million dollars over last year.

But that is not the end. Read the order paper for to-day and you will see provision is being made for loans to harbours and railways involving, as I tried to point out to the house the other day, a new expenditure of a permanent nature to the amount of $57,000,000. The truth is we have entered in this country upon a perfect carnival of extravagance. And by reason of the fact that the minister happens to have money in the treasury he is becoming grossly extravagant and is burdening the people of the country with an enormous load of taxation.

Now, this is where the precise language in his budget speech fitted in so well. How careful he was when speaking on taxation to use these words:

The rate of taxation has been reduced.

Well, even that statement was not true before Friday last. But who cares about the rate of taxation? The rate does not count. The only thing that counts in this world in regard to taxes is the burden of taxation—the load which the people have to carry. If my hon. friend would read the speeches of the late William Ewart Gladstone, when he was Chancellor of the Exchequer in England, on this very point he would get some light. Gladstone pointed out very definitely that the rate of taxation means nothing; the burden of taxation means everything. And is it not true? It is the burden that the people have strapped on their backs, the burden they have to carry that counts. And the record of this government in regard to taxation, as disclosed in the public accounts, is one to make the people of this country think. I take again the public accounts as laid on the table of the house by the Minister of Finance, and I say to him that he has enormously increased the load of taxation borne by the people of Canada. He cannot get away from his own figures. I am going to give them in round numbers, but I will put them on Hansard as they appear in the public accounts. Again I will take the Conservative record and compare it with the minister's own record.

When you examine the consolidated revenue fund in the public accounts you must know now, if you did not know last year, for the budget speech discloses it, that eighty-seven per cent of every dollar that goes into that account is derived from taxes, and thirteen per cent comes from rents, fees and other sources. I repeat, eighty-seven per cent of every dollar which goes into the treasury is taxes. I ask the house to listen to a comparative statement upon this question. Under Conservative rule in 1918 our taxation was $260,000,000; in 1919, $312,000,000; in 1920, $349,000,000; in 1921, $434,000,000; in 1922, $381,000,000. These were war years, and we taxed practically everything we could tax. We had to have the money to carry on the war. Now I take as a comparison with the Conservative record the last five years under the administration of the present Minister of Finance. In 1925 the taxation collected amounted to $346,000,000; in 1926, $380,000,000; in 1927, $398,000,000; in 1928, $422,000,000; in 1929—this year, as announced by the minister in this house—$450,000,000. Of those figures which I have given you on either side, eighty-seven per cent is taken out of the pockets of the people by way of taxation. Now, mark the comparison. Five years under Conservative rule, total taxation, $1,739,000,000; five years under Liberal rule, $1,998,000,000. In other words, in the last five years this government has wrung from the people in taxes $259,000,000 more than was taken by their predecessors in the same length of time. The following is a comparative statement taken from the public accounts, page 45, of the amount of taxation collected in the fiscal years 1918—1922 and the fiscal years 1925-1929:

Total Taxation

Conservative		Liberals	
1918...	$260,778,000	1925...	$346,834,000
1919...	312,946,000	1926...	380,745,000
1920...	349,746,000	1927...	398,695,000
1921...	434,386,000	1928...	422,000,000
1922...	381,952,000	1929...	450,000,000
	$1,739,802,000		$1,998,991,000

What does that mean? It means an annual increase in taxation of $51,000,000. Now, what is the burden of taxation? I got the latest figures of our population from the Bureau of Statistics, and I assume they are correct, but I think they are very optimistic. According to their estimate the population of Canada to-day is 9,658,000, which means that the taxation on every man, woman and child in Canada under this government is $5.36 more than it was under the Conservative government. This means that for a family of five the increased taxation is $26.80 per year. This enormous annual burden of taxation has been saddled upon the backs of the people by this government. These figures speak for themselves, and as they appear in the public accounts I assume they are correct. At all events, I am certain there is no member of this administration who can contradict them.

Mr. MACKENZIE KING: Has my hon. friend comparative tables of the increase and decrease in the public debt during those periods?

Mr. GUTHRIE: I went over those figures before my right hon. friend came into the house. Now for a minute or two let us look at the alleged decreases in taxation. "We have decreased the rate of taxation," says the minister. The Minister of Finance has taken off the one per cent on insurance premiums. Well, I believe that yielded very little revenue anyway, but I do not know very much about it, so I will pass it over. Then he has abolished the transportation tax—one per cent on the cost of every rail-

way ticket. So the man who buys a hundred dollars' worth of railway tickets in a year is going to save a dollar. But following his usual practice, the minister has taken ten per cent off the tax on parlour car and sleeping car tickets, and has thus relieved the people in this country who are best able to pay that tax. Ninety per cent of the travelling public never enter a parlour car or a sleeper; it is the rich ten per cent of our people who do so. The rich travellers are relieved of a rather heavy tax of ten per cent, while the ordinary travelling public get one dollar of relief upon every hundred dollars of railway tickets they buy.

Again, the minister has taken three cents off telegrams and cablegrams. Now tell me, Mr. Finance minister—if I may so address him—how many telegrams the ordinary family in this country send in the course of a year. It is only in matters of domestic rejoicing and domestic calamity that they send a telegram at all; but the rich men send a lot of telegrams and cables, the big corporations send an enormous number, so do the brokers, the stock exchanges and the banks. All these will be materially relieved. And that is the very same class of people which the minister has sought to relieve in budget after budget which he has presented to this house.

When it comes down to the ordinary, every-day people of Canada, all he has to say to them is: I have taken one per cent off the sales tax. That is some relief. The sales tax last year at three per cent yielded sixty million dollars. Next year at two per cent the yield will be twenty million dollars less. But why maintain this war tax which is so burdensome upon the backs of the poorer people of the Dominion? Do the people know even yet that they have to pay two per cent on their wearing apparel, one per cent on their boots and shoes, and two per cent on practically everything that goes into the ordinary household? And yet the minister has left forty million dollars of that tax still on the people, a tax which will average at least four dollars or five dollars for every man, woman and child in the Dominion next year. I tell my hon. friend, if he would take off that forty million dollar tax burden instead of informing this house, "I have a surplus of sixty-nine million dollars," his action would be applauded throughout the country. If he had cut off forty million dollars of his surplus and forty millions of sales tax and told the house, "I have a surplus of twenty-nine million dollars instead of sixty-nine millions," his statement would have been well received. Our taxes are ruinously excessive, they are burdensome to the last degree, and they have been enormously increased by the present government.

Let me refer to one other remark of the Finance Minister, which he expressed in rather precise language. Indeed I thought at the time he made it he was serious. He solemnly said to the house:

> This administration will refuse to support any extravagance in the spending of the taxpayers' money.

Of course we realized that it was merely a joke, whereat the Prime Minister laughed most heartily. In that respect every quarter of the house engaged in laughter, the minister himself not excepted. This bald statement as it appears in Hansard might mislead some people; they might regard it as a serious statement and not, what it was, a bit of dry Scotch humour. So that I would suggest to you, Mr. Speaker, that there be permitted an interpolation in Hansard on this occasion: "Laughter, with great merriment in the house," or something of that kind, so that the people who read the minister's budget speech may not be misled. The minister cannot seriously make such a statement because he is not borne out by the facts. I charge that this has been the most wasteful and extravagant government this country has had since confederation. I am going to back up my statements with a few pointed instances.

First I would remind the house that one of the outstanding questions in the expenditure of last year or the year before related to an expenditure of $500,000 of the taxpayers' money, which was taken by this government from the taxes of the people to buy a palace in the city of Washington for the diplomatic representative of this government, instead of allowing him to rent or buy a house for himself, as should have been done. No one can justify that expenditure; it is extravagant and wasteful to the last degree, and I confront the minister with that particular expenditure as a direct challenge to the statement he made in this house last Friday that their government would tolerate no extravagance. But look at the estimates produced to-day. Last year the vote to maintain our Washington embassy was $60,000; to-day it stands in the estimates at $100,000—an unwarrantable and extravagant increase of $40,000. Paris, too: last year the vote for our representative stood at $75,000; now there is $5,000 more for the Paris office. No warrant for it. But in addition to that I find in the public accounts that we are maintaining another institution or agency in Paris, on which $44,000 odd was spent last year. Take Tokyo:

last year in the estimates the vote was $50,000. This year, another glaring extravagance, that vote is raised to $75,000. And there is no justification for it. And London: this government launched into a very magnificent bit of extravagant expenditure when it bought that wonderful property on Trafalgar square. There is a considerable yearly overhead to carry in respect of that property. When I was in the Meighen government the vote for the whole establishment in London was $69,000; this year the vote is $117,000. And there is absolutely no warrant for such an increase.

I have spoken of extravagance, Extravagance, I conclude, is the spending of more money than is necessary, or the spending of money unnecessarily. There is another kind of expenditure which is an absolute waste, which is the throwing away of money or the destruction of property. I charge this government not only with extravagance but I charge it also with waste. Fine properties in the city of Ottawa, worth hundreds of thousands of dollars, have been actually destroyed by the wastefulness of this government. And for what? Merely to improve the view. I am heartily in favour of improving our national capital, but I am absolutely opposed to waste in the form in which this government has permitted it to take place in this city of Ottawa.

Another thing I view as an absolute extravagance is our so-called tariff board, an absolutely useless board. This board now appears in the estimates at $120,000 a year, and I see by the public accounts that for some reason or other there was paid last year the sum of $71,000 for advisers to the tariff board. What they are doing I do not know. I have heard it said—and I have heard it said by supporters of the government—that there is one real use for the tariff board, namely, that it acts as a buffer between the minister and some of his supporters who are always pulling his coat tail to have changes made in the fiscal policy. I say, $120,000 a year is too much to pay, even for the repose of the Minister of Finance.

Let me mention another matter which to my mind is a gross extravagance. The minister may not know about this, but he should know. Does the house realize that during the last twelve months for which the Auditor General's report contains a record this government spent—I had better be exact in this statement—for "new autos and auto repairs and renewals" the sum of $542,000? I am trying to lay these things fairly before the Prime Minister and the Minister of Finance because I want them to know what is happening. I do not think they have known it up to this moment, but they can go to their own Auditor General's report wherein they will find some twenty-eight items, for each one of which I can give the page and the reference.

An hon. MEMBER: Put them on Hansard.

Mr. GUTHRIE: No, I will keep them; let them find it out. As I say, $542,000 is the amount given in the Auditor General's report for the twelve months with which it deals. I call that gross extravagance; it is a waste of the taxes of the people.

Let us pass on to something else. Look over the estimates for this year and examine the civil service vote. Why is it that year by year this government increases the number of civil servants in this country by a very large percentage? This year, I find on looking over the estimates, the increase involves 143 new civil servants. Last year it was 159, and the year before, I think, 173. What is the extra work of these departments that renders it necessary to increase the civil service of Canada at this rate? It is popularly supposed in this country that the most overmanned, most over-staffed institution in this world is the civil service of Canada. Why, in some of the departments they are falling over each other this minute; they are so numerous that they are actually hindering each other in doing proper work. And not only are we going to appoint 143 new ones, but if you look on the same page of the estimates, at the very beginning you will find $316,000 more of an annual expenditure this year for civil servants' salaries and contingencies. What these contingencies are I do not know. We vote to every department of this government a very handsome sum for contingencies—a very large amount. The government cover everything they can in their specifications in the estimates; everything they can think of, every annual and special expenditure they think necessary, is first put in. Then in addition to that we vote every year a big lump sum for contingencies; but this year they increase the vote for contingencies by $101,000. Does not the minister call that extravagance?

Let me give the minister another instance of what I mean by extravagance. My hon. friend can take the estimates into his room and with a blue pencil can cut them down this year twenty, yes, thirty millions, and not injure the administration of government or the public service of this country to any appreciable extent. No one would know the difference. He can take the Department of

Public Works estimates alone, involving $21,600,000, and blue pencil 25 per cent of that amount. Let me give him a sample of what he can do with a blue pencil. I will take the single case of the riding of North Bruce.

Mr. MALCOLM: I thought so.

Mr. GUTHRIE: My hon. friend says he judged so; his conscience must be pricking him. North Bruce is a rural constituency projecting into the Georgian bay; it contains a delightful little town called Kincardine, one of the small towns of western Ontario, another delightful little town called Port Elgin and a couple of very small hamlets, one known as Lion's Head and another known as Tobermory. What is the record of expenditure in regard to that single riding of this Dominion? For Kincardine last year we voted $53,000 for harbour improvements and this year we are asked to vote another $50,000, of which $10,000 is a revote, making a total of $93,000. For Port Elgin this year we are asked to vote $3,000 for dredging, and my recollection is that in the public accounts for last year there was another item of $4,000. I have not been able to verify this, although I think I have read it; the Minister of Trade and Commerce (Mr. Malcolm) will know whether or not I am right. For the little hamlet of Lion's Head last year we voted $17,800 for dredging, and this year there is another $2,600 for dredging and $4,000 for a wharf. For Tobermory, away up at the top of the Bruce peninsula, where the boys tell me there used to be some deer hunting, last year we voted $10,000 for a wharf and this year we are asked to vote another $2,000, presumably to complete the wharf. That makes a total for this one riding, containing these four small places, of $132,000 of the taxpayers' money. Then I went to the Customs department to find the revenue from those places. They all report to Goderich; they are too small to have ports of their own, and the total revenue from all four places is only $40,000 a year.

Mr. MALCOLM: My hon. friend has the wrong figures; we get $100,000 from Kincardine alone.

Mr. GUTHRIE: Then it must come in by the railways and not through the harbours. I took the figures from the report, which I have before me of the Customs department. Then I secured the entry of vessels to these places, and I find that for the last year for which there is a report the number of vessels entering these ports was only 17, and the number of outgoing vessels 16. This may be a very excellent way of spending public money to secure the election of political friends in various ridings but it is a very improper way to spend the taxpayers' money, and at the first opportunity the minister should blue pencil it and put a stop to this extravagant practice. My list of extravagances is by no means complete or exhaustive. I have tried to bring just a few glaring cases to the attention of the Minister of Finance and I hope he will speedily remedy the situation.

There is still another aspect of the budget to which I now wish to turn. During the whole course of the career of this government as an administration we on this side of the house charge that the government has been absolutely careless and neglectful of the interests of the ordinary people of the Dominion of Canada. When I began my remarks to-day, Mr. Speaker, I said we rejoiced over the continued prosperity in Canada, subject to certain observations I would have to make, and what I complain of is that while prosperity has been showered upon Canada for the last year or two the only evidence of that prosperity is to be found in the large cities of Canada such as Montreal, Toronto, Hamilton, Windsor, Winnipeg, Vancouver and so on. To the ordinary smaller cities, towns and villages; in the townships and the farming districts of this country that prosperity has not yet paid a visit. I tell my hon. friend the Minister of Finance that with the exception of the few larger cities of Canada the population of this country is either stationary or retrogressing. I will take him to any of the smaller cities in the western part of Ontario, the part of the country I know best, and in each one he will find the same story according to the municipal authorities; we are making no progress and in some of these places unfortunately, we are going back. The same thing applies to the country districts in that part of the country where I reside; the villages with few exceptions are getting smaller and the number of farmers in the townships is gradually being reduced. There are more farms for sale in western Ontario to-day than there has been for the past twenty years. It is not pleasant to state these things, but these are facts which one must recognize, and this condition has been brought about largely by the indifference of this government to the people outside of the big cities or to anyone except the big interests and the big corporations, who are enjoying this so-called prosperity which has been very thinly distributed among the other classes throughout Canada.

First I am going to deal with the agricultural class, and I say the condition of that class is not what it should be in any part of Canada at this moment. Before I forget it there is one matter I want to mention here in regard to the agriculturists of the west: Evidently there is something seriously wrong in connection with the system now in operation in regard to the grading and the sale of wheat; there is at this moment some serious difficulty in that regard in western Canada. This matter was brought to my attention last December by two gentlemen from Saskatchewan who had come to Toronto and Guelph to attend the winter fairs; they complained that they were being unfairly treated both in the grading and in the sale of their wheat. I must confess that I do not understand all the technicalities of the grain trade, but I could tell from the information given me and from the temper and earnestness of these two gentlemen that there was something radically wrong and that this government or a department of this government which is supposed to be in control of these matters was either thoroughly negligent or inefficient or both. All I can say in regard to this matter, Mr. Speaker, is that the question is so serious and affects so deeply the interests of the whole Dominion that if a grievance exists—I do not say it does, but if it does—it should be remedied before this house prorogues. If the department of government which now has control of the grading and marketing of wheat is unable to cope with the situation, let some other department take charge of this work; if the present Board of Grain Commissioners is acting improperly in any way or if the law under which they operate is improper, then let the Board of Grain Commissioners be changed or let the law be changed until the producers of this vast wealth in these western provinces are satisfied and are receiving a fair return for their capital and labour. We must recognize that the grain crop is the greatest cash asset possessed by this country, and anything which interferes with the success of the men engaged in the production of that grain is going to injure us in every corner of this Dominion of Canada.

I charge that this government has been absolutely neglectful of the interests of the farmers, and has handed them nothing but gold-bricks on several occasions. I can recall a time just prior to the general election of 1921 when the Conservative party was charged with bleeding the farmers white in regard to the duties that then existed on farm inplements. The farmers were told that if the Liberal party came into power they would reduce or abolish the tariff and that the price of farm implements would immediately come down because of the tariff reduction. Great relief was promised to the farmers in this respect, but they were merely handed a gold-brick. Notwithstanding the heavy reductions which the government made in the tariff upon farm implements, the price of farm implements has increased since 1891. I am not going over the whole list of implements, but will take just a single item which will serve as an illustration. Binders, reapers and mowers were subject to a duty of 12½ per cent when this government came into power, and they reduced it to 6 per cent. It was argued in this house that a 6 per cent reduction in the cost of a mower would be $15.96 on a $266 machine. The manufacturers were permitted to import, practically free, all the raw material that went into the manufacture of these machines, and it was said that free raw material would cause another reduction of $4 or $5 in the cost of the machine. The Finance minister of that day, Mr. Fielding, in order to appease the manufacturers, cut off the sales tax 5 per cent on farm implements, which should amount to $13.30 on a $266 machine. These total reductions amounted to $34.26, and it was openly stated that the price of the machine would be reduced to that extent. Has it been so reduced? I have obtained the prices of farm implements as of December, 1921, and those in force to-day. These prices cover the McCormick-Deering, the International and the Massey-Harris machines. There will of course be a difference in the cost of freight to various points, but the prices I quote are for machines at Toronto and Montreal. In December, 1921, a six-foot binder with bundle carrier cost $235; to-day the cost has risen to $239. A six-foot binder with bundle carrier and tongue truck—in the Massey-Harris list this is called a fore-carriage, but I understand it is the same thing—cost $252 in December, 1921, while to-day the price is $254. A seven-foot binder with bundle carrier and tongue truck cost $258 in 1921, and $260 in 1928. An eight-foot binder with bundle carrier and tongue truck cost $266 in December, 1921, while to-day the price is $288.50. Notwithstanding the reductions that were made in the duty and sales tax the price is actually a little higher for binders to-day than it was in 1921. You can go through the entire price list and you will find a slight increase in prices throughout as between December, 1921, and the present time. It is not a very heavy increase, I will grant you, but I charge that

the government failed in their promise to reduce the cost of farm implements, and in that respect they simply gold-bricked the farmers.

But they injured the country much more seriously than that. What did they do? They transferred a very large part of the manufacturing industry in agricultural implements from Canada to the United States. The present importations of agricultural implements are enough to shock any patriotic Canadian. Beginning with the fiscal year 1925, when the new arrangements came into force, importations of farming implements were as follows:

1925	$ 6,494,986
1926	13,000,000
1927	18,000,000
1928	29,000,000
1928 (calendar year)	39,000,000

Every dollar's worth of this machinery should be manufactured in the Dominion of Canada, and if that were done what a boon it would be for unemployment in this country. The agricultural implements manufactured in the shops of the United States are to a very large extent made by Canadians who have gone over there to get jobs; a tremendous number of Canadians have left Canada and are now working in the implement factories of the United States. The manufacturers of this country, while they do what they can in their own market, are forced to sell their goods to Australia, New Zealand, France and Russia, but have been able only to send about $14,000,000 worth of implements to those countries when they should be supplying their own market instead of there being importations amounting to $39,000,000 from the United States.

Perhaps the greatest gold-brick that was ever handed by a government to anyone was handed to the agriculturists of this country when the Australian treaty was passed. I understand the treaty was negotiated by the Minister of Finance himself, and it has proved to be probably the greatest direct blow that agriculture has had in this country in many years. I cannot understand why the minister does not denounce or give notice to and put an end to that treaty at once. I have spoken in this house at a provious occasion, somewhat along the line I am taking to-day, in regard to the Australian treaty and two or three days afterwards I had an interview with a prominent paper manufacturer. He told me that I had better shut up because the paper makers were getting a mighty good thing through this treaty. That is the policy of this government; they endeavour to help those classes of the people who do not require help, such as the newsprint men, and do not do anything for the farmers of this country. What has been the result of the operation of that treaty?

When the Minister of Finance brought the treaty before parliament not one word was uttered as to its affecting any countries other than Australia and Canada. If the minister knew otherwise he did not disclose it. I do not think the minister himself knew that he was involving Canada with New Zealand when he made this treaty with Australia; if he had known he would have told us, and if he did not know then I do not think he should undertake to negotiate treaties with insufficient knowledge. That treaty passed the house and not one word was said about New Zealand. The house prorogued and two months afterwards we learned for the first time from the newspapers that New Zealand demanded the right to the same terms as Australia, because New Zealand was entitled to most favoured nation treatment. An order in council was passed by this government, which governs so freely by orders in council, giving to New Zealand the same right to bring her products into this country as was enjoyed by Australia. What has been the result? The Minister of Agriculture has been deluged by requests from dairymen's associations in all parts of the Dominion of Canada asking that this treaty be abrogated. Why? Because Canada is importing from New Zealand about $6,000,000 worth of butter to displace $6,000,000 worth of butter which the Canadian farmers could make in this country and could sell in the markets of this country if they were permitted to do so.

Is that fair treatment to the farming population? If the treaty was a slip on the part of the minister, why does he not say so and why does he not put an end to it? It is a terrible handicap upon the dairy industry of the Dominion to-day. Mine is not a strictly dairying constituency but there are dairymen all around it and I hear complaints on every hand. I hear the statement—and I believe it to be true—that the dairy herds in Canada are actually diminishing; that the complement of dairying is swine breeding and that the herds of swine to-day are diminishing. They are both diminishing on account of the blow which the minister gave to the agricultural industry of Canada by the Australian treaty. Then I find in the press the other side of the question, that during the last two years the dairy herds of New Zealand have increased by more than 50,000 animals and their herds of swine have increased by more than 20,000, thus demonstrating, as conclusively as possible, that this par-

ticular treaty entered into by the present government has been a positive injury to the dairymen of this Dominion and a tremendous benefit to the dairymen of the sister dominion of New Zealand.

The mistake in regard to the dairy industry was not the only one that the minister made in the negotiation of that treaty. There was one other outstanding blunder and I am going to refer to it. For the purpose of giving Australia a preference in the Canadian market in respect of a certain article known as raisins, the minister let the Australian people put one over him completely. They told him that if they got free entry they could export large quantities of raisins to Canada if Canada would place a specific duty of three cents a pound upon all importations of raisins into Canada from the rest of the world. The Australians represented that they could supply Canada with all the raisins we required and the treaty went through. We gave Australian raisins free entry into our country and we imposed a duty of three cents a pound on raisins imported from the rest of the world. What has been the result? Prior to last year we did not receive any raisins from Australia; they had not enough to supply themselves; indeed Australia was actually importing raisins for the use of her own people while we in Canada were paying into the treasury three cents on every pound of raisins that we imported from all other countries. We do not produce any raisins in this country; we get nearly all our raisins from the United States. True, we get some from Spain and other countries, but of the total importations of raisins last year amounting to some 44,000,000 pounds, practically all came from the United States save between 3,000,000 or 4,000,000 pounds from Australia. The duty on raisins before the treaty was only three-quarters of a cent per pound from the United States; the Minister of Finance increased the duty to three cents a pound for the benefit of Australia and the taxpayers of Canada have been contributing annually to the public treasury about $700,000, as a sort of penalty in order that Australia may at some far distant date in the future be able to supply sufficient raisins to the Canadian market. The only way in which I can describe such a result is to say that it is an outrage; it is a positive imposition upon every class of the community. Our enormous importation of raisins should be made as free as possible. As we do not produce raisins in Canada their importation does not interfere with production in this country. For many years a duty of three-quarters of a cent per pound was levied upon raisins for revenue purposes. But now we pay a duty of three cents per pound in order to give Australia a preference which she is not able to enjoy. I say that in all these respects the government has been careless and negligent and has not safeguarded the interests of the Canadian people, and particularly the agriculturists.

The government have maintained our customs tariff at a rate which allows millions and millions of dollars' worth of agricultural produce to enter and flood the markets of Canada and to compete with similar goods produced by our own farmers. I have not made an exhaustive or complete list of these agricultural imports, but I wish the Minister of Agriculture would give me his attention while I mention some of them. Last year corn was imported into Canada to the extent of more than $13,000,000, a large part of it being used for distilling purposes and part for feeding cattle and hogs. We imported $6,745,000 worth of raw tobacco and in western Ontario we have every year a magnificent crop of Burley leaf and flue cured tobacco. Our Canadian tobacco growers are forced to compete with an importation of $6,745,000 worth of tobacco from other countries. This is most unfair to Canadian growers.

In this cattle raising country we imported $14,000,000 worth of hides, $10,000,000 of that coming from the United States. Why should we import hides? My county is a cattle county and I have heard cattle raisers discussing this question. They say that they are not getting any price for their hides. The reason will be found in the fact that we are allowing hides to come into this country so freely from the rest of the world. The Minister of Agriculture should keep his eyes and ears open at the present time. In the Argentine republic they have a great deal of cattle disease; many of the cattle have been falling on the plains. These beasts are skinned and their hides are shipped abroad. I have reason to know what I am talking about because I have had litigation in the courts and I have examined certain invoices. These hides are marked "epidemic" hides. It is a simple matter for the government to put a stop to this importation; they can do it by an increase in the tariff or by other means. Surely the farmers of this country should enjoy the market in Canada for the hides of the cattle they slaughter here, but they are not getting it now as we are importing $14,000,000 worth from the rest of the world to displace our own product in the Canadian market.

I have mentioned butter. Last year we imported $5,391,000 worth of meats. Why injure the meat trade in our own country? Why not let our own agriculturists enjoy it to the fullest extent? A few other agricultural importations are as follows:

Commodity	Value of importations
Milk and milk products, excluding butter	$ 643,745
Eggs in the shell	476,605
Eggs, n.o.p.	402,790
Fresh fruits, not including tropical fruits	8,415,000
Dried fruits	6,311,000
Vegetables, fresh, not including dried and canned	6,175,000

These are all strictly farm products and they are coming in enormous quantities into Canada to displace the home grown product of the Canadian agriculturist. The above items, which are by no means exhaustive, total up around $50,000,000.

Mr. DUNNING: Does the hon. member include corn in that?

Mr. GUTHRIE: Yes, but I would like someone to pick out all the agricultural items —I had not time to do it—I desire a complete list of items for another purpose which I will mention in a few minutes. It is a matter of great importance to know just what we are importing.

An industry of very great importance in this country is the fruit industry which is established in Nova Scotia on a wonderful scale, in New Brunswick, on the southern shores of the river St. Lawrence where they produce Fameuse apples in abundance and throughout Ontario in general but especially in the Niagara peninsula between Niagara and Windsor, and also throughout British Columbia. Why allow this immense importation of foreign fruit practically to put out of business many of our fruit growers? We must admit that the United States has in the matter of climate an advantage which we cannot overcome. United States fruit comes on the market two or three weeks before ours is ready. There is a public appetite for new fruit when it first comes to market, and people are willing to pay high prices for this early fruit, but when that initial appetite is satiated our own crop is about ready and the market is glutted with fruit, and in far too many cases our own fruit is not plucked and gathered at all. Last August, between Toronto and Hamilton, I saw field after field of beautiful melons. "Why don't you pick your melons and send them to market?" I asked, and the reply was "They won't pay for the labour. They will not give me anything for them. These people in Toronto," he said, "are fed up with this American stuff, and they do not want our melons at all." It is the same in every line. Look at the fruit importations into Canada. According to the trade returns, we imported last year—I shall give only round figures:

Apples	$1,124,000

And yet in this country we grow the finest apples in the world:

Grapes	$1,189,000
Melons	498,000
Peaches	663,000
Pears	928,000
Plums	544,000
Strawberries	832,000
Other fruits, including cherries	408,000

We imported all this fruit from the United States a few weeks in advance of the ripening of our own Canadian crops, thereby displacing the Canadian fruit grower in his own market, and in far too many cases making his occupation unproductive altogether.

It is the same with vegetables. Up around Windsor we grow a tremendous quantity of onions. Last year there was a good crop. Last year we imported $548,000 worth of onions. Take new potatoes, not the kind we sell as winter potatoes; we imported of new potatoes $799,000 worth. We imported tomatoes to the amount of $1,550,000. These are very largely of the hothouse variety, and our people around Windsor are engaged in that very class of production. We imported other vegetables to the amount of $3,371,000. Total vegetable importations amounted to $8,475,000, and of these, $6,496,000 were from the United States. These latter figures include canned and dried vegetables.

The indifference of the government in regard to the claims of the agriculturists, because these people all are agriculturists, was never better exemplified, I think, than by an answer made by the Prime Minister in this house to a question asked by my hon. friend from South Essex (Mr. Gott) on the orders of the day on Tuesday last. Evidently the hon. member for East Essex (Mr. Odette) had circulated some statement up around Windsor to the effect that the government was going to take action this session and put a duty on fruits and vegetables. That rumor got into the Windsor press, and the vegetable growers, who are a very important part of that community, sent to Ottawa to ascertain whether there was any truth in this rumor. When the question was asked in this House of Commons by my hon. friend from South Essex, my right hon. friend the Prime Minister, as, of course, he has a right to do, gave no information

whatever upon this question which at the present moment is of very vital concern to the vegetable growers in the county of Essex. These growers are now preparing for the coming season. Last season most of them lost money. They expected last year that a dumping clause duty would be put into effect, but it was not, and they were expecting some relief this year from the government particularly in view of the statement of the hon. member for East Essex. The question was asked in this house in the most natural and proper way, "Would the government do anything?" But the Prime Minister gave absolutely no information, and he did not even say that he would give any information on the matter at a later date, although these men are waiting from day to day to get their seeds and plants in, and their hothouses going to start the season's operations. If they are not going to get any relief this year, let them know it, and then they will go into some other line, because there is no use continuing in their present line under the conditions that prevailed in that part of the country last season.

I now wish to deal for a few minutes with the industrial workers of Canada, with that class of men who are known as wage-earners, who form a large and important class in this ccuntry and who earn their living by their daily wage. I charge again that throughout its whole course of seven or eight years this government has absolutely neglected to safeguard the interests of the wage-earners, or to protect their rights in any single instance. I know that my hon. friend the Minister of Finance made a few bland announcements the other day, but he forgot to say anything about the high cost of living. He remembers, just as I do, the election of 1921, when the charge was levelled against the government then in power that the cost of living had risen in Canada to such a point that people could no longer endure it, and I have no doubt that that statement changed a good many votes on that occasion. Does my hon. friend know that the cost of living is just a little higher in Canada to-day than it was in 1921? If he does not, he had better read the journal issued by the Labour department of this government, and bearing the official stamp of the Labour department, and he will find that it shows that the cost of living is a trifle higher to-day than it was when this government took office. He will find likewise that the family budget to-day—I assume that these figures are correct, because the Minister of Labour (Mr. Heenan) is responsible for them—the family budget of nineteen necessary articles, including fuel and light, was in January, 1922, $21.52 per family, and to-day it is $21.55 per family; that is, the cost of living is a trifle higher to-day in Canada than in those awful days when it was freely charged by Liberals that the former Conservative government was practically starving the people to death.

The minister also states in his budget speech that employment has been well maintained. Why, sir, there is just as much unemployment in Canada to-day as there was the day this government came into power.

Mr. McINTOSH: What is your employment index?

Mr. GUTHRIE: I am going to give it to the house in a moment. There has been little or no change in the intervening years, and what change there has been, according to the returns, has been against this government, because employment is a little lower to-day than it was when this government came into power. If anyone wants evidence of unemployment in Canada, all he has to do is go to Toronto, Montreal or Winnipeg, or read the bulletin that was issued by the civic authorities in Toronto last month showing that eight thousand men were willing to work and could not find jobs. If you are not satisfied with this statement, look at page 55 of the estimates for the coming year, and you will see there a vote of a quarter of a million dollars proposed by this government to help people who are unemployed. What better evidence do you want?

My hon. friend from North Battleford (Mr. McIntosh) asked for the index figure. I am not going to give the figures for the years 1920 or 1921, the demobilization years, when we were bringing back to Canada and demobilizing and bringing home 420,000 troops, as well as 240,000 troops in Canada, and when the employment figures were not normal. But for the month of December, 1922, according to the table furnished by the Department of Labour, the percentage of unemployment was 6·4. Taking the same month, December, last year, unemployment had increased in the interval to 6·6. So unemployment has not vanished. I only refer to unemployment at all to show that this wonderful prosperity that we hear about has not been well distributed among the people of this country. The working class, the wage earners of Canada, have not had their chance to share in it.

Let me mention one further matter. This unemployment situation in Canada could be cured by the government almost by a stroke of the pen. My good friend the Minister of Finance could cure it this session. He could

cause employment in this country to be abundant and at good wages. He could stop the exodus of our people to the United States. This exodus has not stopped yet, for every United States consular agent in Canada still has a waiting list of Canadians anxious to go to that country. My hon. friend the Minister of Finance could settle the difficulties of his colleague the Minister of Immigration (Mr. Forke); he could settle the immigration problem in this country by creating employment, and he could do that by the application of a proper fiscal policy for this Dominion. We imported last year $350,000,000 of goods—and this is only an abbreviated list—and these were goods that we make in this country. The action of the Minister of Finance and the government has not been to assist labour. Take the removal of the duty on worsted yarns last year. I do not know whose advice the Minister of Finance was taking or what prompted him to remove this duty, although I have always believed that it was the Bradford board of trade in England, which certainly was in communication with the minister and his tariff board; but last year, the minister, by a stroke of the pen, wiped out the worsted yarn business in this country. The great big worsted spinning mill at Hespeler, where hundreds of men were employed, is now closed. The industry in Guelph is also stopped; in Guelph, worsted spinning only formed part of a larger woollen industry but the spinning of worsted yarns has practically ceased. All the worsted yarns used in Canada are now brought from Bradford, Yorkshire. The men in Canada are out of work, their employment has been transferred from Canada to Great Britain, and the price of worsted yarn and worsted clothing is just the same to-day as it was last year. That I give only as a sample. Look at the imports of woollens. This government tinkered with the woollen tariff when they first came into power. What has been the result? Our woollen imports increased to thirty-three million dollars last year. Practically all of these goods we could have produced here. Look at the employment that would be given our people. There is no question about it, Mr. Speaker, that with half a dozen strokes of the pen the Minister of Finance could settle this question of unemployment, could make the factories of this country boom, could keep young Canadians in Canada, and could create an active cash market for all the products of the Canadian farm.

But we have been pursuing a policy of practical ruin not only in this but in many other respects. I do not charge this government particularly in regard to the export of raw material, because I think the same system has prevailed for many years; but I do say that this question of the export of our raw materials to the United States has been brought to the attention of this government in a very definite shape upon many occasions during recent years, but they simply allow that exportation of raw materials to go on. They permit those valuable natural resources, those raw materials of the Dominion, to go into the United States at the rate of millions of dollars' worth every year. The factories of the United States are kept busy, the citizens of the United States get wages, and the people of the United States get the tremendous profit between the price of the raw material and the manufactured article which we buy back again from the United States. It is a false policy, it is a suicidal policy. Rapidly it is denuding our forests and exhausting our mines, and the minister should give serious consideration to the question.

My next reference brings up a matter which I know must be in the minds of most of our people. On Monday last when the President of the United States delivered his inaugural speech at Washington he announced to his countrymen and to the world that he had summoned a special meeting of congress particularly to consider the fiscal policy of the United States in regard to agricultural productions. In a good many quarters of course that announcement was not entirely unexpected. The policy of the Republican party in the United States during the late fall elections was a policy of greater protection for the agriculturists. I realize full well, Mr. Speaker, that while we have the right to discuss the fiscal policy of any other country in the world, it is not really a matter of our own business, and we must recognize the right of the United States to adopt such a fiscal policy as it deems fit without interference from us or from any other nation. For at least three-quarters of a century the fiscal policy of the United States has been one of protection, or, as I would say, of very high protection in many respects. Consistently they have maintained that principle, and as a result they find themselves to-day not only the richest, but the greatest commercial nation in the world, and the nation having the largest population in the world. Tremendous success has attended their efforts and their policy. For myself, I see no real cause for overanxiety in Canada in regard to any action which may be taken by congress upon the fiscal policy of the United States. I believe that we are in so strong and favoured a position in this Dominion that nothing more than

temporary embarrassment or temporary inconvenience could result, no matter what attitude the United States government and congress may assume. But I base that statement wholly upon this condition, that we enjoy in this Dominion a government with sufficient resolution and sufficient courage to meet any situation which may arise. If we have not such a government, then I do see some real ground for anxiety as to what may face us in the immediate or more remote future.

When the Minister of Finance made his budget speech he gave the house a clear statement of the total trade of Canada based on exports and imports. Let me repeat it. I am taking the calendar year ending on December 31 last. There is a good deal of difficulty sometimes in adjusting the figures between the calendar and the fiscal year. These figures are for the calendar year ending December 31 last:

Total Trade, Domestic and Foreign	
Exports..	$1,374,130,000
Imports..	1,222,318,000
Total..	$2,596,448,000

And the minister announced, amid great applause and approval by his supporters, that he had a favourable balance of trade of $154,000,000. That, I grant, is a substantial favourable balance. As I say, this statement was well received by his followers; they applauded to a very marked degree; they approved of the announcement by a marked demonstration.

Now let us return to our trade figures with the United States. It may be a matter of surprise to some that more than one-half of our total foreign trade is done with the United States. Last year our trade figures with the United States give us a total in exports and imports of $1,318,282,000. We imported $825,741,000, and we exported $492,541,000. In other words, our imports were $333,000,000 more than our exports; therefore our trade with the United States resulted in an unfavourable balance of that amount. Now, if a favourable balance of trade is a good thing for a nation—and the minister's announcement was heartily applauded on the other side of the house—what do these hon. gentlemen say of our trade with the United States when there results such an enormous unfavourable balance? Will hon. gentlemen opposite condemn that unfavourable balance of trade? They applauded the favourable balance of trade with the world as an excellent thing. Will they condemn our unfavourable balance of trade with the United States as an injurious thing?

[Mr. Guthrie.]

I submit, Mr. Speaker, that there is something seriously wrong in regard to the trade of this country with the United States. I believe I know what is wrong. I believe that we are buying too much from the United States year in and year out and are selling too little. Every year our purchases are increasing, and we are not selling enough to our neighbours, because they will only buy from us raw materials and a limited amount of farm products. At the end of the fiscal year our operations resulted, as I have shown, in an adverse balance of trade of $333,000,000. That balance has to be settled. We have to pay it either in gold or in goods. It cannot go on forever; it must be paid, and the money or the goods to pay it will have to come from this country.

Now it is worth while considering in a little more detail some of the trade figures as between Canada and the United States. What do we sell them? How shall we be affected by a change in the fiscal policy of the United States in regard to agricultural products? In our trade figures, as furnished by the Department of Trade and Commerce, it is just a little difficult at all times to find what are really farm products and what are not; our trade returns include in the figures a good many articles which are not strictly farm products. Let me give a rough analysis of some of these figures. I find that in agricultural and vegetable products we sell to the United States, according to our trade returns, $56,000,000 in round figures. That I grant is a large amount. But I find that included in that figure are ales, wines, beers, whiskies and rubber, amounting to $24,500,000—commodities that are not farm products in our view of the matter. These should be deducted from the $56,000,000, leaving a total of exports to that country, in agricultural and vegetable products, of some $31,550,000. When you come to the next classification, you find some further trouble—animals and animal products. This heading covers much more than farm products. Our trade returns show that we sent to the United States last year, in animals and animal products, $92,000,000 worth of exports. But when you come to analyse the items you find included in the total, fish, $13,000,000; furs, $14,000,000; leather, $8,000,000; oils and greases, $1,399,000, or a total of some $39,000,000 of goods which we do not consider strictly farm products. This amount should be deducted from the $92,000,000, and would leave a balance, under animals and animal products, of $42,385,000, or a total of agricultural products, properly so described, shipped to the United States, of $73,935,000.

I think we can fairly cut that figure down by another $10,000,000. We send the United States about $10,000,000 worth of raw hides and we buy from them $10,000,000 of raw hides. That item forms merely a cross entry. If our neighbors see fit to stop our hides from going to the United States we will use our own hides in our own country instead of importing them, and that will settle that point. So that we find actually that we sell them, in agricultural or farm products, as we understand the term, only $63,000,000 a year. We import from the world in farm products something between $50,000,000 and $60,000,000 a year.

Mr. MALCOLM: Will my hon. friend specify the figures as he did in the other case?

Mr. GUTHRIE: I put them on Hansard a minute ago.

Mr. MALCOLM: But specified imports.

Mr. GUTHRIE: I gave the agricultural imports, starting with corn. I furnished a list of only some of them. My list was not exhaustive, and it runs to over $50,000,000, probably $60,000,000, of farm products which we are bringing into Canada from other countries to compete with the products of our own farmers. That is what we are bringing in, while we are sending out to the United States if you exclude hides, only about $63,000,000 or less than ten per cent of our agricultural exports.

Would it not be a simple matter under these circumstances, to obviate any difficulty that might arise in connection with the tariff of the United States on farm products, if we produced in this country and sold to our own people those goods which we now sell to the United States, stopping the importation into Canada of those products which we are now bringing from other countries to compete with the products of our own farmers. To accomplish that, all we need is a government with some courage; all we need is a government with some resolution; all we need is a government that has at heart the real interests of the people, of the farmers of Canada. With such a government no permanent difficulty can ever arise.

Now I can see that any disarrangement of our present trade with the United States might for the time being cause considerable inconvenience, and some loss. I realize quite well that in many respects the United States market is the most convenient, the most expedient market which we have; in many respects it is the very best market in which to sell many of our farm products. But if the tariff of that country is raised so high that we cannot enjoy that market, then we shall have to shape ourselves accordingly by enabling our own farmers to enjoy the Canadian market to the fullest extent and at the same time seek other markets throughout the world. In order to do this, however, we shall need to have a fair application of the principle of protection in our customs tariff. And unless we adopt that principle, if the United States government sees fit to raise its tariff against our farm products, great difficulty will probably ensue in connection with the marketing of $63,000,000 of our farm products in the future.

I can conceive a situation which would seriously affect the shipment of our cattle to the United States. Last year we shipped to the United States $17,745,000 under this head. An adverse tariff might cause inconvenience and some loss for the time being in this regard. Our grain shipments were about $10,000,000—nothing like what I imagined they would be. In vegetables our whole shipment consists practically of about $5,000,000 in potatoes and, in turnips, about $700,000 or $800,000. We do send a large number of seeds to the United States; last year we sold them about $6,000,000 worth. Surely we can find another market for these seeds. In raw furs we sent them $14,000,000; hides, $11,000,000—and we bought back $10,000,000; meats, $11,288,000. This is a big item and one in respect to which there might be some temporary embarrassment and inconvenience. In milk and milk products the figure is $10,000,000, or nearly $11,000,000, and in this connection too the situation might be serious for the time being; while in hay the figure is about $1,000,000 or $1,200,000, and in bran and shorts about $2,000,000 to $2,500,000. These, so far as I can see, are the only articles with respect to which we could possibly be inconvenienced or for a time be seriously affected. So far as I can see, any difficulty that may possibly arise in the future can be completely overcome by action on the part of this government and of this parliament. We have nothing to fear in Canada in this respect, though I grant that we are going to reach at last a situation—if things develop as I anticipate they will—in which we must introduce into the tariff of this country, to protect our own people, that element of protection which the Canadian tariff does not now afford.

I can imagine that it will not be the easiest thing for my right hon. friend the Prime Minister, surrounded as he is by such out and out free traders as the Minister of

Agriculture, the Minister of Railways, the Minister of the Interior, who would ring the death knell of protection in the House of Commons, and the Minister of Immigration. I can understand that my right hon. friend will have difficulty. But I fancy that these four ministers will be found amenable to reason. I believe that in a few months' time we shall find that they have become converts to the doctrines which have been advocated from this side of the house for a long time and which they have denounced. And I can tell you that the completeness and the suddenness of their conversion will rival that famous conversion that took place many centuries ago on the road to Damascus. But what about that peculiar type of free traders—Liberal free traders—whom we find scattered about in all the provinces of Canada? What will these Grit free traders do—these loud-voiced individuals who give us no peace, these worshippers at the shrine of Adam Smith, these men who still dwell in the political atmosphere of two centuries ago? I think I can make a prediction in that regard. I believe the word of command will go to them to "right about face", and they will obey that command with alacrity. Oh, the scales will fall from the eyes of these hard-shelled, thick-skinned free traders who are to be found scattered throughout this Dominion of Canada. I predict that by next year it will be found that they have shed their free trade skins and taken on new ones, and they will remind one of nothing so much as the snakes coming out of the stone piles in the spring. A radical change in our fiscal policy will soon be necessary; the government must face this situation. They can do it; we know what we can do in this country; we have everything at our disposal. Do not let us have stage fright and do not let us feel any over-anxiety in regard to the matter. The matter rests entirely in our own hands. All can be put right, and if this government does not put it right another government will take its place in the very near future.

Well, Mr. Speaker, I have transgressed for a long time on the patience of the house. For the reasons I have given, because this government has been absolutely neglectful of the interests of at least seventy-five per cent of the people of this country, neglectful of the interests of the agriculturists and of those engaged in industrial employment; because the government has failed in every way to safeguard and protect them, I beg to move the following amendment, seconded by the hon. member for Argenteuil (Sir George Perley):

[Mr. Guthrie.]

That all the words after the word "that" be stricken out and the following substituted therefor:

This house regrets that the financial proposals of the government make no provision for reasonably safeguarding and protecting the interests of those "engaged in agricultural pursuits or in industrial" employment in Canada.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, while listening to the very comprehensive and forceful criticism presented by the acting leader of the opposition (Mr. Guthrie) I must say that for a considerable time I was inspired with some fear; I was afraid he would not leave one single charge for me to make against the government. Seeing that he covered the ground so thoroughly I hoped he might have continued until six o'clock in order to give me an opportunity of finding something with which he had not dealt. Fortunately, however, there were one or two points which he failed to cover.

I think I might characterize the budget now before the house as a comfortable budget. It suggests to the mind a fairly well-fed ruminating animal which, having eaten all the grass it wanted, lies down to chew its cud on the sunny side of a knoll quite unconscious of the fact that the frost of the preceding night had practically destroyed the crop and might prejudice its existence when winter comes. All finance ministers in their budget presentation strive to strike a political key-note throughout the country. Sometimes, of course, that key-note is drowned out by the carillon of debts and deficits, and sometimes the announced surpluses and balances jangle strangely out of tune. From a comparative study of budgets I have noticed that when a minister has to deal with deficits he never fails to point out very clearly that such defiicits are not at all due to any mismanagement on his part, to any lack of business acumen or any failure of government policy, but when he has the pleasure of announcing a surplus he never fails to show that such surplus was accounted for by the most excellent policy of his administration. That, of course, is what we might call the human and political element of the budget.

Some hon. MEMBERS: Hurrah.

Mr. IRVINE: I hope time will be taken off for the interruptions now taking place. Perhaps, Mr. Speaker, you might send someone to the lobby to tell those gentlemen who are cheering that as yet I have not finished speaking.

When the loud cheering began, Mr. Speaker, I was pointing out that when a minister announces a surplus in his budget he is very anxious to claim that it is due to a certain

policy of his administration, but we have discovered that a true explanation of prosperity in our national life must be sought in economic factors with which governments have very little to do. As a financial statement the budget now before parliament does not require a very great deal of criticism or opposition, indeed, I would congratulate the Minister of Finance (Mr. Robb) and his staff upon being able to add correctly. I find that all the millions are added properly and all the subtractions correctly carried out; we find that we have an estimated expenditure of $385,160,000, that we have a total estimated revenue of $454,942,000, and when we subtract the smaller figure we have a surplus of $69,782,000.

I might also congratulate the minister upon the splendid way in which he presented his budget to the house. I should like to impress upon him that I have a very high opinion indeed of his ministerial ability, and in addition to those lower qualities which are required of financiers and accountants generally the minister possesses others of more value. For instance, he is genuinely human, and he possesses a vein of humour so rich and deep that it takes a real Scot to sound it. Listen to this priceless gem which fell from his lips just after they had let fall the mighty millions resulting from his own tariff policy. He said:

> The policy of this administration is not a high tariff policy; it is a low tariff policy. Its policy is to encourage production at home and the marketing of our excess of production abroad.

It is not every minister who has the genius to inject humour into the millions of surpluses, debts and so on. Again, the minister said:

> In the first ten months of the fiscal year the Department of National Revenue reports total exports amounted to $1,187,400,000, which, when the total imports of $1,033,300,000 are subtracted, leaves a favourable trade balance of $154,100,000 for the ten months' period.

If statements like these emanated from an uninformed source, and were regarded by those who uttered them as being indicative of the economic position of the people of Canada, we would regard them with the contempt they truly merited; but, coming as they do from a well informed source, they can be appreciated only when seen in the humorous setting in which they appear. Everyone knows that the budget under the party system of government, with which we are cursed at the present time, means more than a mere addition and subtraction of millions of dollars. It contains the entire plot of a play. The stage is set, and after due advertising the minister appears in the dual capacity of hero and villian, depending on which side of the house hon. gentlemen contemplating him happen to be sitting. The population both in and out of parliament are waiting breathlessly; the moment is melodramatic it is true, but eventually the minister enters and announces a surplus. Sometimes the artistry of this particular show is drowned in the swelling flood of millions, and also encompassed with political humbug. The time has come, Mr. Speaker, to lodge an emphatic objection to the technique of party government, of which this and other budgets are expressions. What have hon. members of the house had to do with the budget now before them? The deliberative functions of parliament have been practically usurped by the party system. In the hodge-podge of figures, fiscal policy, debts, international trade and surpluses with which the mind is suddenly deluged, members have no part to play whatever. If we had, I venture to say that there are many things not in this budget which would be in it, and there are some things in it which would not be in it. But ours not to reason why, ours but to vote the pie for the noble six hundred. Let me illustrate the position of the private members of this house. I am sure the Minister of Finance, genial as he is, will forgive me for setting him in a particular scene which will illustrate my point. I am going to make him a chef in a first-class cafe, and I am going to give him the rest of the cabinet as his waiters. The members of parliament, the representatives of the people, of course, will be the patrons of this cafe.

An hon. MEMBER: Who gets the tips?

Mr. IRVINE: We all come in for our meal at the usual hour, and the Prime Minister, all dressed up in his proper habiliments for the occasion, presents us with the menu. We look it over and find that there are many things on the menu we do not like. There are some things we might like but we could not possibly accommodate all that is on the menu. However, we are told by the chef and the waiter that no selection is to be permitted; that we have to swallow it all from the consomme of tariff reduction to the surplus pie and the national debt pudding with the income tax sauce. We cannot make any selection from the menu; the dictum of the institution is that we must take it all or leave it. We have some dieticians who think that perhaps a better bill of fare could be arranged. We have others who are willing to close their eyes and open their mouths and take whatever comes, but those of us who desire the right to deliberate upon matters which come before this house regard

the budget and the manner of its preparation as being the very opposite of true representative government, and absolutely void of the democratic principle which is supposed to inhere in this parliament. We neither deliberate nor create any detail of this budget. We are asked to give it a blanket endorsation or a blanket condemnation. Let me suppose for a moment, Mr. Speaker, that what I am saying is as wise as I think it is.

An hon. MEMBER: Impossible.

Mr. IRVINE: I knew the hon. member would be able to observe the obvious. Supposing for the sake of argument that it is as wise as I think it is. I am allowed to say it, but that is all. This parliament has perfect freedom in so far as speech is concerned, but when it comes to actually doing something we have the limits of the robot. I think the time has come when every member of parliament, who ought to be in the position of truly representing his constituents, should expose this sophistry of representative government, expose the sophistry of the supremacy of parliament, and indicate to the people the truth of the matter—the supremacy of cabinets in our system of government. Our cabinets have the power to give away our water sites. They tell us we can ratify their actions, or if we do not we defeat the government. They give away other things equally as valuable as the water-powers. They sign treaties that may have a far-reaching effect upon the peace of the world, and then come and ask us to ratify them. They bring down the budget, which has important economic and political implications, and we are not permitted to change one jot or tittle within the entire compass of that budget. All we can do is to take or leave it; take all or none. The Minister of Finance virtually comes to this parliament and says, "There is the budget, fix it if you dare." If we did fix it, according to the powers which we are supposed to have but cannot exercise, then he would dissolve parliament and we would have to assume the responsibility of having plunged the country into an election. This massive club of dissolution is always held over the heads of parliamentarians. I wonder if the members of the house could not swing the club of dissolution the other way once in a while. I wonder if the ministers are so immune to election fears that they would not pay any attention to that. I would like to psycho-analyse the Minister of Agriculture (Mr. Motherwell) and find out if he would not yield a point or two were that club swung over his head, and I am sure there are others who might be led to consider following the same course. If hon. members asserted themselves we could force parliament from beneath the heel of cabinet domination. This is a phase of parliament which is most disgusting to the Canadian people, which is most discouraging to hon. members who have any intelligence; it deprives them of that nominal responsibility which they are supposed to have towards those whom they represent.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. IRVINE: Mr. Speaker looking at the budget from another angle, I should like to point out that it implies more than a mere financial statement. Under our system of government the budget reflects national policy and sometimes unfortunately it reveals the extent of statesmanship possessed by those on the treasury benches. It is a looking glass which reflects not only the ruddy face of the genial Minister of Finance but also the background of policy. I notice that standing out very prominently in the background of policy is the national debt. It stands out like a sore thumb that has received first aid from the minister. Of course there is a political setting given to this. The party which was in power prior to the present administration is inferentially shown as the debt creating party and the government of to-day is of course held up as the debt paying party. But when we come to examine into the details of the budget we discover who has been doing the paying and we have to admit that the masses of the people, especially the agricultural class, have been charged a great deal more in taxation than any other class for the surplus out of which a certain amount of the debt was paid last year. We find also that the people who ought to be able to pay more than anybody else have been taxed less.

But let me turn to the larger question of debt payment. Let me presume to suggest to the minister that payment of debt is an operation which requires a great deal of skill and caution in its performance. No doubt he is aware that there are times when debts should not be paid even if the government were in a position to pay them. There are times when to pay debts would very materially interfere with the business and industrial success of the country. If, for instance, the minister, because he happens to have a few millions in the treasury, rushes off to pay

debts at a time when we are passing through industrial depression, it is altogether unlikely that such amounts of money as he paid would find opportunity for reinvestment and the result would be that, through removing from circulation the amount of the debt he paid he would force us into further depression. So there is a real problem there which I suggest for his consideration.

But I want the minister's attention on one point and I should like to emphasize it. It is that debts cannot be paid in the popular sense of the word "paid". I do not mean they cannot be paid because the amounts are so great that they are beyond our assets. That is not exactly true, although they are certainly great enough. I mean to say that they cannot be paid because our financial system is a debt creating system. Our financial system lives on debt, lives by debt, lives for debt and without debt it cannot live. If our debts could be paid in the sense in which most people accept the idea of payment, our system would collapse. It is the very nature of the financial system of which the minister is at the head to pyramid debts, debts built on debts built on debts, until the entire system is threatening to topple over, and it is more than the average individual can do to interfere in any way with that pyramiding. It requires a fundamental alteration of policy and one which the minister alone is in position to introduce.

The debt of Canada as of all other countries to-day is increasing by the principle of geometrical progression and it cannot be affected as long as the present system is in vogue. What does the minister mean when he tells us that he has paid so many millions of debt? He simply means that he has transferred a public to a private debt. Let me illustrate that in this way. Supposing he finds himself next year with a surplus of $100,000,000 which he has collected through over-taxation of the poor people of Canada; he proceeds to the Bank of Montreal, takes up $100,000,000 worth of bonds and makes a bonfire of them. What happens after that? That amount of $100,000,000 will immediately become somebody else's debt. The banks cannot afford to pay, for instance, 3½ per cent on $100,000,000 if they don't lend it out. As soon as the bank does lend that $100,000,000 it becomes somebody else's debt. Individuals whose bonds are taken up may make their own investment so that in any case, the amount paid on national debt must become private debts except it were withdrawn from circulation. So to pay debt is merely a transference of a national debt to a private debt, but with this difference, that on the national debt we are paying presumably about 5 per cent whereas on the private debt we are paying probably 8 per cent and that charge comes back to the consuming public in terms of prices, whereas the minister charges us the interest in terms of taxation. Therefore I hope the minister will be more careful when he is, in a human way of course, making political capital out of the fact that he has succeeded in reducing our debt in the last few years by a few million dollars.

This brings me to the guileless allusion of the minister to the Canadian dollar. He clothes that abstract instrument with personality, perches it on the boundary line with a flag in its hand, and causes it to say: "I, the Canadian dollar, can now look the American dollar square in the eye without blushing," and then he expects us to applaud for the great contribution which he has made in bringing about what he regards as that very satisfactory state of affairs. Rejoice with me, he says, because our dollar can now, without blushing, look the American dollar in the face. Mr. Speaker, that simply means nothing. Let me say plainly to the Minister of Finance that his inability or his disinclination to control the dollar value after the war was the means of doubling our national debt. Germany, we are told, and we believe, lost the war, and Canada won the war, but I discover that the per capita debt of Germany in 1926, was $8.76, while the per capita debt of Canada, which won the war, was, in 1927, $246.64. Canada's high per capita debt came about through the bankers' manipulation of credit, which the minister did not hinder, as he might have done. Everybody knows now that that manipulation was a bad thing. Even Lord Beaverbrook has been very outspoken on this point very recently. He says:

> The Bank of England's policy in adopting the gold standard was ill-considered and ill-advised.

He goes on to say that the bankers dictated the industrial policy of the country. He continues:

> We have had a bankers' policy all along, directed along the lines of favouring the general financial situation without regard to the industrial situation.

This has resulted in a per capita debt in Great Britain, which won the war, of $817.60, while Germany, which lost the war, has a per capita debt of $8.76.

Someone may suggest, do I advocate doing what Germany did? I would say in reply that what Germany did was a great deal more advisable than what Canada did, although it

is not the course that I myself would recommend. The responsibility, I would say, was upon the Minister of Finance to have stabilized the value of the Canadian dollar on a war basis so that the dollar with which he now pays the debt would have had precisely the same value as the dollar with which the debt was contracted. But instead of doing that, the minister permitted the dollar to drop from its inflation value to its present deflation value, which practically doubled the Canadian war debt, plus five per cent; so that, due to the inactivity of the minister during the first few years that he was in office, he has placed a greater debt on the shoulders of the Canadian people than he will ever live to see removed, no matter how high he taxes the people. If the minister will ponder that problem, he will find that as the financial controller of Canada he has burdened the Canadian people with debt, and if he is satisfied that I am right in that, I hope that next year he will be apologetic and not try to make political capital out of what may be the fact, that he has reduced the debt yearly by an average of $37,000,000.

In his budget speech the minister deals in a very careless way with foreign trade and trade balances. He announced a favourable trade balance—mark the word "favourable"—of $154,000,000. This gives the impression that that $154,000,000 of a trade balance is in some strange way favourable to Canada, and that idea will no doubt be the basis of the Liberal party's propaganda in the press for the next few months. If there is a balance, it has been erroneously named a favourable balance. Trade, of course, is a fair exchange of goods, and if what the minister reports is true, then Canada has given away $154,000,000 for which she has received nothing. Otherwise, international trade cannot be a fair and equitable exchange of goods. On what basis does the minister do trade with foreign countries if it is not on an equitable basis? By what strange manipulation is he able to build up a favourable balance of trade anywhere in the world? The thing is utterly preposterous. It is a schoolboy's idea of international trade. Surely, if we have $154,000,000 worth of foreign trade more than we can handle, the minister does not need to look to other countries for greater markets than we now possess.

Let us look at it another way. I challenge the minister and his entire staff to come within two hundred million dollars of guessing the correct balance of trade between Canada and other countries of the world, because the technique of accountancy in this particular department of political economy has not yet been thoroughly established, and there cannot be anything which is much more than a guess at the balance; there must be a wide margin permitted for error. But we do know that when all invisibles are accounted for, such as tourist trade, interest on loans, freight payments, as well as capital transactions, then international trade must balance, or else the minister has been giving away our goods and been getting nothing for them in return. Which is the situation? Will the minister tell us which of the two it is? Has he been negotiating with other countries to take our goods for nothing, or has he wrongly reported a trade balance of $154,000,000? This seems to amuse the Minister of Railways (Mr. Dunning) very much. I do not know whether he is amused at the political economy of his colleague the Minister of Finance, or whether he is amused at the ease with which the minister's argument can be exploded.

Mr. DUNNING: I am amused at your political economy.

Mr. IRVINE: I am delighted that the minister has grasped it to the extent of being amused by it. Perhaps further consideration may change his amusement to something of understanding. Let me give an example to the hon. gentleman. In 1920, it was reported that we had an unfavourable balance of $268,000,000; in 1921, an unfavourable balance of $137,000,000, and in 1922, an unfavourable balance of $68,000,000. These adverse balances were made up of funds advanced to Great Britain during the war, and which were being repaid. In 1920, we received on that account $104,000,000; in 1921, $128,000,000, and in 1922, $84,000,000 thus the unfavourable balance vanished.

Our favourable balance means that Canada has increased her capital investments abroad. I want to draw the attention of the house to this fact, that during the war there was one and one-quarter billions of new money circulated in Canada, and corralled by those who had privileges, and that really marks the extent of our national debt. Now those people are looking for outlets for the reinvestment of their money, and if they do not find what they want in Canada—they are not very patriotic—they go where they can find suitable opportunities for investment.

Let me also point out to the minister that the balance of trade is to a considerable extent made up of investments by insurance companies in foreign securities abroad. The minister should take a hand in controlling that situation, and endeavour to keep that

money in Canada, to finance the government of this country and look after the purchasing power of our own people. Let me ask the minister to tell us, the next time he brings down a budget, how much of the balance of trade goes to paying interest on borrowings abroad, borrowings which ought to have been made in Canada through the use of the Finance Act and the treasury board.

Passing from that, I think this budget will be regarded in western Canada as the "hame-strap budget". The Minister of Finance says that he has not reduced the tariff because the tariff board has not had time to make sufficient investigation in the three years it has been sitting. But I would point out to the members of the house that the tariff board has managed in that time to discover one kind of hame-strap on which the tariff ought to be reduced. However, it is too late now for that, because most of the farmers are using tractors and tractors do not require hame-straps. Furthermore, the promised tariff reductions have not been satisfactorily met. True, there have been small reductions in the sales tax, but the greatest tax of all, the tariff tax which falls on the common people generally, has not been touched, and to that extent we must hold the government responsible for their failure to redeem their promises.

As to how their fiscal policy compares with the announced policy upon which the Liberal party came into power, let me quote one section from the resolution passed by the Canadian Council of Agriculture and now included in the inspired writings of the Liberal party:

> And whereas the protective tariff is the most wasteful and costly method ever designed for raising national revenue because for every dollar obtained thereby for the public treasury at least three dollars pass into the pockets of the protected interests, thereby building up a privileged class at the expense of the masses, thus making the rich richer and the poor poorer.

Let us follow the reasoning of that resolution. In the light of that statement what does the budget tell us? We have an estimated revenue this year from the tariff of $185,000,000. For every dollar that went into the public treasury three went into the pockets of the protected interests. Multiply that by three and you have $555,000,000 which went into the pockets of the protected interests as a result of the policy of this so-called low-tariff government which we have in power to-day. Add those two amounts together and you have a total of $740,000,000 collected from the common people of Canada last year under this tariff-for-revenue policy. I saw something in the speech from the throne about the unprecedented prosperity of the Dominion. At the time I thought it was not true, but surely a country of ten millions of people that can pay that huge total in one tax must be prosperous. We now see who prospered on the national prosperity. Remember that $55,000,000 of the $740,000,000 went into the pockets of the protected interests. This government tells us they are giving us a tariff for revenue, but at the same time they say that it is the most wasteful and costly method ever designed for raising national revenue.

A studiously inclined member of this house wrote me the other day asking me a question. It seemed that a certain colossus had appeared who could answer all tariff questions. This is the question:

> What argument of the high tariff advocates do you consider the most difficult to answer, or the one which exerts the most influence on the voters?

Now, this is the strongest argument that I could furnish him. Canada is still a protectionist country. The Liberals are in power to-day; they have been in power for twenty-one years—off and on of course. The hon. member for Peace River (Mr. Kennedy) told us last session that in an examination of the tariff over a period of forty years he discovered that the Liberals had reduced it four-fifths of one per cent more than had the Conservatives. What then is the argument for which this hon. gentleman seeks an answer? The argument to be deduced from these facts is this. Either the tariff policy introduced by Sir John A. Macdonald has been found by the Liberals to be sound political economy and good statesmanship, or else that party has been false to its own cause and to the people's trust. The Liberal party may pillory itself on either horn of the dilemma which it cares to select.

We on this side of the house do not need anybody to explain to us the virtues of the tariff. What we want is an intelligent explanation of why a party that for twenty-one years has received the votes of the people to reduce the tariff has not yet found time to begin its work. That is the kind of explanation we want. Against that argument the propaganda about tariff reductions which our friends sometimes advance are absolutely useless. I picture the Prime Minister standing up in a canoe in the straits of Gibraltar and levelling a pea-shooter at that impregnable rock. That to my mind is about what would happen when the Liberals start to answer the argument I have just submitted to them in respect of their failure to implement their platform policies. A free-trade party? Of course. A revision-of-the-tariff-downward

party? Certainly. A low-tariff party? Certainly. A tariff-for-revenue party? Yes. But always "tariff" appears in the title, and the tariff is the only part implemented.

Now, there is still a chance. I do not want to close the door on hon. gentlemen opposite. I want them to make good that policy or quit. The Minister of Finance indicated that tariff arrangements were matters of international policy. That is very different from what the party stalwarts say on the hustings, but I believe it is true. The tariff policy of the United States is causing a good deal of discussion at the present time. Some of our public men are talking about reprisals, and others are talking about—nothing. I do not know whether the hon. gentlemen sitting to my right are going to advocate raising the tariff brick for brick to keep pace with any increase of the United States tariff. Instinctively and rationally I feel myself drawn away from any policy of reprisals with respect to international relations. So I will suggest to the hon. gentlemen opposite that their last and only chance to retain the confidence of the people is to implement their low-tariff policy or get out. I would ask them now to call a conference of all the governments of the British commonwealth of nations with a view to arranging a free trade policy within the commonwealth as a means of offsetting any increase of tariff by the United States. In the first place, such a course would bind these loosely connected nations into an economic as well as a sentimental unit; in the second place, it would clearly intimate to the United States that if they want to trade with Canada they cannot do it by the tariff route; and in the third place it would reduce the cost of commodities to the Canadian people and enable them to offset the difficulties with which they would be confronted by the cutting off of the United States market to our live stock and our trade generally.

That is the suggestion which I wish to make to the hon. gentlemen opposite.

Mr. GEORGES L. DIONNE (Matane) (Translation): Mr. Speaker, at the outset of my remarks, I wish to sincerely congratulate the hon. Minister of Finance (Mr. Robb) for the well defined, concise and pertinent speech he delivered last Friday. I must also congratulate the hon. acting leader of the opposition (Mr. Guthrie) for the splendid speech he made this afternoon. His remarks were to the point and well adapted to the circumstances.

The question of the exodus of our people to the United States was broached, the problem of unemployment, the Australian treaty, the tariff and many other questions were discussed. The exodus of people to other countries has existed ever since the world was created. The causes of this emigration are numerous; I shall, however, enumerate but a few. We find, first: a love of adventure, then a greed of gain, a craving for luxury, a longing for comforts and an inborn desire of improving one's lot or situation. So far as this love of adventure, history records many such instances: those of Columbus, then Cartier and later on Champlain.

Our opponents were at the helm of the affairs of this country from 1882 to 1896; they appear very favourably disposed towards the working and farming classes when they are in the opposition, they always seem to have high practical advice and means to suggest for the betterment of the workman's lot, the protection of the farming class, the development of trade and industry, but when in power they soon forget their teachings; instead of helping those poor people for whom they have so much sympathy when in opposition, they favour the autocrats and magnates of finance, the large manufacturers and the captains of industries. The exodus existed from 1882 to 1896. What did our opponents do to blot out this evil? They had every possible means at their disposal, they were in a position to entirely stamp it out, yet, I am sorry to say, they absolutely did nothing.

Now, sir, with reference to unemployment, I do not think that the tariff has any bearing on this problem, because if we glance back at early history, we note that in the time of the Pharaohs there existed years of plenty and years of scarcity. Fortunately in those days there lived the intendant Joseph who wisely provided for the lean years.

Mention was also made of the United States. The Americans are business people, industrious and they are pointed out to us as examples. But, sir, let me say that in the United States like in all countries of Europe and of the world, unemployment exists; it has always been and it will ever be so. The tariff is like the pendulum of a clock. It either moves too fast or too slow, you have the regulator adjusted and still it may be too fast or too slow. It is an easy matter to prescribe remedies but the difficulty lies in the application of the means suggested and the advice given.

From 1896 to 1911, Laurier, of cherished memory, presided over the destinies of this country. He had charge of the administration, and I must say that when he assumed

power in 1896, our opponents, who constantly speak of surpluses, had left but deficits. During fifteen years, thanks to a Liberal administration, thanks to an administration of business men, these deficits were wiped out. In 1911, the people of this country, I shall not say in a moment of bewilderment, but under the influence of fear, ceased to trust the Liberals and once more confided the management of affairs to the Conservatives. It was then that we witnessed deficits again cropping up. We note that during the period which elapsed between 1911 and 1920-1921, our opponents dragged in the Great war of 1914 to 1918 to justify their expenditures. Now that they are in opposition they advocate economy, but when in power they spend with a free hand, not in the interests of the people as a whole but to favour a privileged class. I admire, sir, the courage and endurance of those brave Canadians who joined the army and went overseas to fight on the battlefields of Europe and protect the rights of allied countries; I admire the devotion to duty and the generous sacrifice of those who fought energetically and then gave their life magnanimously for their country; I have no intention of criticizing all the expenditures that were made at the time. However, our opponents who advocate economy, could have practised it then and on more than one score. They could have economized on the purchases of motor-trucks and automobiles which remained in sheds in London; economy could have been practised after armistice was signed when troops were sent to Alaska for the benefit of manufacturers of army clothes and boots.

The hon. acting leader of the opposition mentioned, this afternoon, that he hoped to see a number of ministers who were free traders become protectionists. I am rather inclined to think that the hon. acting leader intends to become a convert and shows signs of it. He forsook Liberalism to join the ranks of the Conservatives. I really think his intention is to return to the fold of liberalism.

One word on protection. There is moderate and unlimited protection. Protection exists in the United States, and, it is said, that country is the most prosperous known, there are colossal fortunes, trade and industry have developed on a large scale and its population is over 100,000,000. Notwithstanding all their protection, the United States cannot prevent unemployment which exists in a great number of their cities. It is found in manufacturing centres, in industrial and commercial life. There are periods of depression and stagnation which are uncontrollable and neither free-trade nor protection can prevent these crises.

Let me now say a few words with reference to the Australian treaty. Within the last few years butter production in this country has decreased. Our farmers export their milk and cream to the United States and our butter factories do not produce enough for the consumers of this country. What would therefore happen were this treaty cancelled? The monopolizers, the trusts would purchase all the butter made, hoard it in cold storage and hold it until the next season's output was marketed, and the new market price would regulate the scale or rather would establish the sale price of the cold storage butter and the consumer would thereby be the sufferer.

Our country is large, immense, it possesses a variety of natural resources. We are charged with exporting too many of these natural resources to the United States. But, Sir, surely a young country that does not manufacture sufficiently for all its needs, can export to other countries some of its natural products and in return import articles of consumption or utility. I am, sir, as much attached to my country as anyone else. I wish to see it happy and prosperous. When I hear our opponents express doubt as to our real prosperity, I wonder if they show political wisdom. They advocate helping agriculture and contend that the farmers are financially poor and cannot make both ends meet, balance their budget, so to speak. I am among those who advocate helping agriculture because it is the industry "par excellence," because it is an essential industry. Therefore it is quite in order to assist agriculture by every possible means, but all must participate by their energy and good will. At times, the farmers' financial situation is somewhat critical. We do not practise the sound economy of our forebears; we have not their ability to manage our affairs, too much luxury has invaded our homes. A true and infallible means to success in business—as in everything—is to leave aside subtraction and division and practise especially addition and multiplication.

Before I resume my seat, may I observe that someone has been reproaching me because I am too staunch a Liberal. I will only say this:

Though I am hot red,
Am no fanatic.
I am not a hot head
Nor a lunatic.

Mr. T. L. CHURCH (Toronto Northwest): I wish to take this opportunity of congratulating the Liberal-Conservative party on the amendment which has been moved to the

budget. The Liberal-Conservative party is the party of progress, and it is the only party upon which the masses in this country can depend to solve economic questions. In the hour of trouble the country always sends for the Conservative party. The Conservative party has always been consistent; it believes that the industrial welfare of Canada depends on protection and safeguarding and upon the conservation of our own markets for our own products and our own work for our own workmen.

The Liberal-Conservative party to-day stands for protection; it is a protectionist party. Protection is safeguarding and safeguarding is protection. In England to-day we see the remnant of a free trade country, with a million and a quarter people out of work taking the dole. That is a fine illustration of the success of free trade. England is losing her shipbuilding orders and her industrial supremacy in coal, and the union of coal and steel is what made England the great industrial nation it became in the history of the world. The motherland is now at the parting of the ways, and with a million and a quarter civilians and returned soldiers out of work—men who fought the battles of the empire in Flanders and France—the government over there is finding it necessary to protect her industries and adopt safeguarding. So that England also is coming around to protection in what is known as the safeguarding of basic industries, such as steel, coal and many others. The economic writers whose opinions are worth considering are all agreed that safeguarding is protection, although I favour simply the old word "protection".

As I say, protection is safeguarding and safeguarding is protection; the two terms are synonymous and are interlocked, they are allied and related terms. Now it is these two protectionist doctrines that we need in Canada to-day. And no industry in this country stands more in need of the application of these doctrines than the great basic industry of agriculture. But there are other industries that need protection. The prairie provinces in a few years will become a great industrial country and it will need protection brought up to date to meet the changing conditions there from time to time. It is for that reason that we have proposed the amendment to the budget, which amendment will appeal to every farmer in and out of the house, and to every industry in the country and to those out of work. It is based on an all-Canadian tariff for Canada. I support protection as a principle not as a privilege for a few.

[Mr. Church.]

We have a great leader (Mr. Bennett), who we regret is not here at the moment. He is a born leader of men, a skilful manager who has devoted his life to the service of his country and his fellowman at no small sacrifice. Put him in command of the ship of state and I venture to say that the industrial ills of every province in the Dominion, from the eastern provinces where he was born all the way to the Pacific coast, would be cured and their problems solved at once.

The economic ills of Canada are to be cured by the safeguarding of industry through protection. Protection is not a dead thing; it is a living thing and is continually growing and should be brought up to date. Take the United States to-day: in the late election the issue was protection and more protection all along the line for the entire country. Both sides there were agreed on it. In that country they have built up a high tariff wall and apparently they intend to maintain that wall still higher. This is the policy of President Hoover, whom I consider one of the world's greatest economic men, a man among men. He does not mean to be unfriendly to Canada, as evidenced by the great speech he made the other day at his inauguration. He is a man who sympathizes with humanity the world over and his life has been devoted to the welfare of civilization the world over. I say, therefore, that he does not cherish any enmity towards this country, and if he proposes to protect the United States from industrial invasion that is only something to be expected. After all, it is just as fair to apply the weapon of the tariff in time of peace, when you find the industrial invader at your door taking the bread out of your workman's mouth, as it is to apply it in time of war when the enemy is at the gates, and when you mobilize all the resources of the country to repel him. The principle of protection is the same in peace as in war for the nation as well as the individual.

I say that protection would solve the ills of the prairie provinces to-day, especially when we consider the attitude of the people of the United States. In the budget we have from the Minister of Finance (Mr. Robb) a statement which I will discuss as far as I can in the time at my disposal. I will say this for the Minister of Finance: He is the best voting card the government has in the country to-day. He is a plain able business man who is very much respected not only in this house but throughout the country for his many fine qualities of head and of heart; and is a great Canadian and true Briton. I do not criticize him at all except as to his policy; while I like and admire the man I do not

like the Liberal party's policy. The liberalism we have to-day is not the liberalism of old.

I regret very much that the hon. member for Mount Royal (Mr. White), one of the oldest, most respected and able members of the House of Commons, has not been able to be with us this session on account of illness; I know he has been missed and we all hope he will soon return to his seat in this house with good health regained. May I add just here that I hope a general day of thanksgiving for the recovery of the king will be set apart, and I would suggest June 3, his birthday, as a proper day, when by God's grace I trust he will be fully recovered.

May I also congratulate you, Mr. Speaker, great Canadian that you are, on your lectures in France; you excelled as an ambassador of good-will. Your lectures on French history have done Canada a great deal of good in an international way for good-will in the old world. You are a great ambassador; Canada loves that glorious land of France, where so many of our own men sleep their last sleep as a result of the war; Canada adores that glorious nation towards which the eyes of the whole civilized world were turned during the war. The awful privations, the numerous trials, the untold sufferings and the terrible tribulations of the glorious French nation, surpassing anything the human imagination can conceive, will live in history as an example of the most sublime patriotism.

One of the main purposes of the budget debate is to take account of the nation's housekeeping, because after all the housekeeping in connection with an ordinary home is not very far distant in theory and method from the housekeeping in connection with a nation, and only about once a year do the representatives in parliament have a chance to discuss some of the economic ills from which the country is suffering. To-day we have a government which sits still and does nothing to cope with the economic problems of the country. Coming from an industrial constituency in Ontario I believe that the great empire province of Ontario has more economic problems to solve than all the rest of Canada, but this government seems to ignore Ontario altogether. For a long time we had not a single member of the cabinet from Ontario, 1926-7, and the present ministers representing Ontario constituencies do not seem to be sufficiently aggressive to stand up for the rights of this great province, which is paying about forty per cent of the taxes of the Dominion.

To-night the government is on trial before the bar of public opinion for their failure to govern and for their policy of laissez faire. The discussion we recently had in connection with light and power showed that our present government, as I said then, is a combination of big interests and appetites. The big interests are clamouring for more; they are weary and hungry; they are going further than they went last year and are demanding a shell-out, and the rules are to be amended to help them. To mention only a few, we have the Bell Telephone Company, the Sun Life Company, the Beauharnois power plant and all the rest, and who will stop these raids? I do not think the government will do it. During the naval debate the Liberal opposition made use of the word "gag;" now I say the rules are to be amended in order to apply "the gag" to give the big interests the right of way to what remains of the title deeds to the products of the sea, the soil, the forests and the mines of Canada. The big interests in this country such as the electric trust, the American power trust, the grain and elevator combine, the banking trust and the manufacturing trust seem to be the present masters of the administration. "Canada for the Americans" seems to be the economic policy of the government. That is shown in the government's pro-American tariff policy, in their power development policy, in their pro-American immigration policy, in their grain policy and their failure to place an embargo on hard wheat, in their failure to give adequate protection to the vegetable growers and market gardeners and their failure to apply the dumping duty, and in their separatist policy towards the rest of our empire.

To-night the government is weighed in the balance and found wanting; the unemployed asked for work in order to get bread but the government gave them a stone, together with a lot of platitudes from the head of the government. I asked a question with regard to unemployment last week but the Minister of Labour said in reply that unemployment is a question for the provinces, and from their erroneous index system say there is no unemployment. The government are being tried to-night for the way they have misgoverned; they have left undone those things which they ought to have done and they have done those things which they ought not to have done, —and there is no health in them as a government. We have had too little government from Ottawa and too much government from Washington and St. James street, including the power ring and the private millionaires of this charmed water-power circle from Mont-

real and the United States. Many of these younger power magnates hid their lights under a bushel during the Great war, staying at home and making a fortune while the men overseas were getting paid $1.10 a day.

My bill of indictment against the government includes two main counts, faults of omission and faults of commission. I charge that the faults of omission consist of twenty-six counts, as follows:

Failure to provide a policy of protection and safeguarding brought up to date to solve all the economic problems of every province.

Failure to provide a proper dumping clause.

Failure to provide some safeguards for industries.

Failure to provide a national coal and fuel policy.

Failure to bring in a policy looking to the conservation of the products of the sea, the soil, the forests and the mines for Canadians.

Failure to bring in an up-to-date Canadian radio policy. They fiddle along and send three favourites for a free ride around Europe while radio control is assumed by the United States.

Failure to provide a Canadian life-saving policy for the Great lakes.

Failure to provide a policy of farm relief.

Failure to implement the Duncan report in connection with steel, iron and coal.

Failure to provide for the preservation of water-powers for the people rather than for private gain and stock splits.

Failure to lay down a proper policy for the development of a greater St. Lawrence waterway as an economic necessity; this has been abandoned by the government as a waif, an orphan and an outcast.

Failure to provide an embargo on hard wheat.

Failure to deal with the question of unemployment.

Failure to lay down a policy looking to a united effort in the solution of the three great problems of empire trade, defence and migration.

Failure to provide a pro-Canadian, pro-British immigration policy.

Failure to provide any social legislation such as the extension of old age pensions and sickness and unemployment insurance.

Failure to bring in an advanced national policy on health matters.

Failure to reduce taxation, such as the income tax, the tax on cheques, the cigarette and liquor tax and other nuisance taxes.

Failure to take any taxes off the breakfast tables of the working classes.

[Mr. Church.]

Failure to bring in a national housing policy in order to help reduce the high cost of living.

Failure to make any reduction in the high cost of living.

Failure to enforce the Alien Labour Act. The Department of Labour, as I said in 1922, seems to be asleep and is one of the most useless and incompetent departments of the government to aid and protect the toiler and unemployed. Last year I asked the Minister of Labour some questions in connection with some sixty nurserymen or market gardeners who were brought to Ontario from the southern United States into York county, but I was unable to get an answer for a year. Then I was told that I could see the attorney general of the province, thus making a mere political football of the matter, although a federal one.

Another omission is the failure of the government to aid the maritime provinces by subsidies and subventions in connection with the steel and iron industries. Then the government failed to introduce a Pacific policy, to take care of that great empire province on the Pacific coast. They have failed to adopt a policy of closing up these wonderful embassies at Washington and Tokyo; they have failed to adopt a policy of protecting the public with insurance legislation, loan company legislation, trust company legislation and banking legislation. The working classes of this country pay millions to the insurance companies who charge anything they like, and this money is used to build up Japan, China and other countries at the expense of the Dominion.

It is time the general Insurance Act was brought up to date and revised. I do not mean to say that this legislature should fix the price of insurance, but it should give some protection to the government by having a proper audit made of these companies, and see that equitable rates are charged instead of the present prohibitive life and fire rates, to protect the policyholders.

The government gave away the Seven Sisters falls yesterday, and to-morrow they will be giving away the Beauharnois power site. Money has been spent in a very extravagant manner; it cost $36,000,000 to run the country when Sir Wilfrid Laurier took office in 1896, but it costs $400,000,000 to run it in 1929; they spend money like water. There has been a lack of national policy in the management of the natural resources. The government has committed these acts of omission and commission, and has failed to discover an economic policy that will assure the prosperity of Canada and make our people

happy and contented. They have no policy which will solve the country's ills. The iron, coal and agricultural industries are being left to the mercy of foreign invasion and competition. Experience shows that as the basic industries of steel and coal go, so goes the country. The government has no policy on the tariff and the conservation of our resources. They have failed to find an economic policy which will steady or maintain our prosperity, or one in which more and more of our citizens will find a share. This would create a happy and contented nation and render the people less susceptible to the preaching of radical doctrines.

We have a government to-day with no forward-looking zeal or conservative principles, and with no demonstrated capacity for public service. No single factor aids a government so much as a background of prosperity, which to a degree exists to-day but for which the government is in no way responsible. What prosperity we have to-day is due to the fragments of the national policy which remains in this country, to Providence and a good crop, and to the thrift, industry and sobriety of our people. We have a government of ifs and buts and doubts and fears, a government against a government, all within itself and with no leadership to solve the country's economic ills.

Have they a policy on the St. Lawrence or on the preservation of our water-powers? No. They have a policy which is here to-day and gone to-morrow; a policy which is everything by fits and starts and nothing long. They are willing to give our valuable power sites to the big interests.

Have they a policy on radio? Yes, but it is one for the Liberal party and not for the national interests. They took nearly a year to appoint a useless commission which is roaming all over Europe now doing nothing but having a good time. They have a policy of farm relief, but it is all relief and no farm. The representatives on this commission are Mr. MacLean, of Victoria, B.C., and Mr. Drury of blessed and happy memory in Ontario. The farm relief board seems to be a happy hunting ground for downtrodden politicians. Would Mr. Hoover appoint gentlemen like that? No, he would appoint an economic person who knew something about farm relief. The farm relief board consists of those with heads of all boards but they know nothing about farm relief at all or how to cure the farmers' ills.

Have they a policy on the tariff? No. They appoint a useless tariff commission to make up their minds for them. I called them a minstrel show. If they would tour the country as a minstrel show they would make their fortune with the interlocutor and the tambo and bones who call themselves commissioners. They are making a political football out of this tariff question while six hundred thousand Canadians have to go to the United States to try to get jobs—a tariff board of spade and shovel men whose main object is to sound the death knell of protection and industry in Canada.

Have they an immigration policy? If it is a policy it is a continental European one and not a British-born one. Have they a policy on the return of natural resources? No. The speech from the throne 1926 said that the prairie provinces were to be given their natural resources, but when the hon. member for Labelle (Mr. Bourassa) objected to that they withdrew the measure. Have they a national coal policy? No. They had reluctantly to adopt my motion therein, but they failed to carry it out. They have a policy which helps the coal barons down in Pennsylvania, for they quoted a Canadian all-rail rate of nine or ten dollars per ton for the carrying of Alberta and maritime provinces coal, and they could get no business. If they had quoted a fair rate of six dollars per ton they would have obtained the cream of the business, but they would rather give the business to the coal barons of the United States and make work for the people in Pennsylvania.

Have they a policy for the returned soldier? Yes, they have a policy; the returned soldier gets all the pick and shovel jobs. The good jobs and those on the bench and in the senate go to those who were willing to pay a dollar to join the Liberal association and are civilians. You see articles and advertisements in the papers in Toronto asking for second-hand clothing for the men who fought the battles of this country for $1.10 a day and for their wives and children and a tag day to help soldiers. The government takes care of these young millionaires in the Beauharnois and other power companies and the Winnipeg Electric. I know one or two of them and they never did a thing in the war. They hid their light under a bushel and made a fortune while soldiers went to war for $1.10 a day.

Have they a policy for unemployment? Mr. Vincent Massey and Herbert Marler have been taken care of. No tag day will be had to maintain their embassies. Ottawa has become the seat of a great basic industry known as the ambassador cure for unemployment. That is the policy they have in this country for unemployment while six hundred thousand

Canadians go to the United States as ambassadors at their own expenses looking for a job.

Have they a policy for solving the problem of British Columbia, the prairie provinces, the central provinces or the maritime provinces? No. Have they a policy which will solve the three greatest problems of empire defence namely, trade and migration? No. They went over to the colonial conference and never mentioned these problems and said Canada proposed nothing, it was satisfied.

I say the government's free-trade-wrecking tariff commission will go so far and no farther, for it is sounding the death knell of protection and industry in Canada. The government's policy has been to spend money like water and the only result will be that the labour of future generations yet unborn has been pledged for the payment of millions of dollars of interest on Canada's debt and maintenance account.

It is the duty of the government to protect the rights and prosperity, the health and comfort of its citizens. The government is sick. It looked pretty sick during the last five days when there was a discussion of the power question. It was only six votes short of defeat. The Manitoba government had to send for Doctor Hogg from Ontario and the chairman of the commission was too weak to prevent his going to Manitoba to destroy public ownership. The government of Ontario was responsible for sending Doctor Hogg to Manitoba. What did he do there? He is not a doctor at all; in fact, he has issued only one prescription in his life. He went to Manitoba and the prescription he issued electrocuted the whole Manitoba Bracken government. Before he gets through with some of the hon. gentlemen over there from Manitoba, he will electrocute them with the Seven Sisters falls in the next election, as well as the Liberal party which engaged him.

As I was saying, the government is sick; it needs a little physic. Even the Prime Minister and the cabinet on the power question were all sick of it and needed a little physic. A little tonic is often unpleasant, but it must be borne in mind that if a cure is to be effected, neither physician nor patient must flinch from taking it. So they captured a resolution or prescription the opposition gave them on water-powers.

An embargo should this session be placed on foreign products and foods that are competing unfairly with similar commodities produced in this country. The depression in coal is due largely to depression in trade of its best customer, the steel and iron industry. Give them protection in Canada and you will revive those two key industries. A revival of learning is needed in the cabinet to save the country from the tragedy of a wrecking tariff commission that is in an economic way illiterate and incapable of comprehending or of remedying economic conditions in Canada.

I am sorry there are only two front benchers present to-night. I hope I have not made the rest of the cabinet sick. No doubt they were taken very sick in the last few days when they heard the criticism of the opposition on water-powers. When they heard of so much water being used in the house during the last four or five days, no wonder they begged leave to retire and are not here to-night. Where is my hon. friend the doctor, the Minister of Agriculture (Mr. Motherwell), to-night? Where has he gone? Last year he became a doctor also.

Agriculture is a basic industry and requires special treatment. An embargo on hard wheat is required so as to provide work for our people in the mills in the milling of corn and flour.

As a program the budget is barren of any real progress to protect Canadians and to preserve our own markets for our own products and our own workmen. It is a very skimpy sort of chicken, a skimpy bill of fare for the working classes that fools no one. It should be committed to old mother Hubbard's cupboard so that the unemployed will see what kind of bone is in it for them. Probably that is where the balance of the cabinet have gone to-night, in order to look for the bone,—for what is left of the Liberal principles, the Liberal platform laid down in the city of Ottawa a few years ago. The budget is a full chicken with the bone out of it for the rich but the masses get not even a good bone. Shorn of a lot of its fads and frills, it contains nothing that will benefit the masses of the country. I admit the government have taken twenty-five cents off the expense of the tickets to which a member of parliament is put in coming to and going from Ottawa. That is one of the few things they have thrown over here. One thing I am sure we cannot do is blame the lord high executioner of the government, the Postmaster General (Mr. Veniot), for whom I have a great deal of respect, for having any part in its draftsmanship, because there is nothing in it to execute and no one to execute except the taxpayer.

What do the Liberal prohibitionist supporters of the government think of the way in which the government has played with the rum-running business and allowed the United

States to violate a number of international treaties and have armed gunboats on the lakes? One thing left out of the budget is any instruction to the workers how they should spend their money, because the workers have no money to spend and because of the economic policy of the government many of them are out of work. We have to have a tag day for the soldiers in distress, but no tag day is needed for the maintenance of our ambassadors at Tokyo and Washington. If the government's budget is cut up into parts, it is a program of shin plasters for the rich and a committal to the poorhouse for the unemployed and the poor. Where is and what is the government's tariff policy? If we are to judge by the mock trials held by those delightful busybodies, the tariff commission, it may be summed up under two heads as follows:

(a) That nothing that can be bought in the United States shall be made in Canada, and,

(b) That everything that cannot be bought in the United States shall be imported from overseas, from Europe, preferably from Germany.

The government turns a deaf ear to any adequate dumping clause even though some of their own supporters ask for it in the house.

The great industrial system of the United States was built up on protection. President Hoover will yet drive Canada to erect a similar wall and adopt a self-respecting reciprocal policy. Canada can no longer continue to buy $900,000,000 worth of high-priced manufactured goods from the United States, nearly two-thirds of which could be manufactured in Canada, and pay for that $900,000,000 worth out of her raw material. We require a proper and adequate reciprocal treaty. The government will not insert in the tariff a clause to tell the United States so. Mr. Hoover is a business man and as business is business among individuals as well as nations, he would not object to it. The Monroe note and the Kellogg note mean nothing, but if the government would write a note along the lines I have suggested, they might accomplish something. As I said in the session of 1926-7:

> In the days of Horace Greeley opportunities for employment in the United States were threatened by imports from Europe. To-day opportunities for employment in Canada are threatened by imports from the United States. The United States did not require the founders of American industry to go before a tariff commission to persuade the commissioners that the tariff should be so changed that their industries would be able to employ Americans in their own country instead of driving them to seek employment in foreign lands. Nero never fiddled while Rome burned the way this government is fiddling in appointing a tariff commission to solve the economic problems of this country. Instead of announcing in the budget some measure of protection and safeguarding legislation that would solve our economic ills, nothing is being done by the government to relieve our unemployed who are asking for a job that they may get bread. Many industries are closed up altogether, others are working only fifty per cent, and even the great agricultural industry of the west is suffering.

This wonderful government which continues its policy of the ambassador cure for unemployment dooms 600,000 other Canadians to appoint themselves ambassadors at their own expense to search in a foreign land, the United States, for the jobs that they cannot find in their own country. In the days of Horace Greely opportunities for employment in the United States were threatened by imports from Europe as the opportunity to-day for employment in Canada is threatened by imports from the United States. The Americans from 1849-60 asked their rulers for the bread of employment. These rulers did not offer their countrymen the stone of free trade theory and the platitudes of a pro-American tariff and an economic policy of laissez faire. No, and these rulers did not require the founders of American industry to go before a minstrel show of a tariff commission and persuade the interlocutor, the tambo and the bones who call themselves commissioners, that the tariff should be changed in favour of industries that would employ Americans in their own country instead of driving these Americans, as Canadians are being driven, to seek employment in a foreign country.

The government's tariff policy has made it impossible for the workers to obtain the full product of their labour or a full dinner pail. The government never was and never will be a working class government or a government representing all sections of the country.

This budget would make a great crazy quilt for the Minister of Agriculture to raffle off at a fall fair and throw in with it a free prescription or two as well seeing that he has now a doctor's degree. The budget is an enigma, a Chinese puzzle; it means nothing, and will lead to nothing of economic benefit to the country; it will do nothing to better conditions and provide work for Canadians in any of the provinces. It is just a smoke-screen thrown over the economic ills with which the country is afflicted. The budget is a neat apology for the government's failure to govern and for its failure to shift the burden of taxation from the toilers and the farmers to the rich and those more able to pay. It is not even a platform to stand on, let alone one to get in on. It is a mixed grill kind of tariff, and no all-

Canadian tariff at all. It is only an academic thesis of several resolutions, platitudes, evasions, and excuses for turning over what remains of industry to our competitors; to the Americans and other foreign manufacturers at the expense of Canadian workmen. There can be no definite criticism from the opposition because there is really nothing in the budget to criticize.

The first cornerstone of an Immigration policy is to keep our own in Canada. The second great essential is to provide work for Canadians at present in this country, but the government proposes nothing to attain that end. The government have shown themselves incapable of bringing forth any legislation which will help solve the problems facing us and relieve conditions which exist all over the country. There is no adequate protection for industry. There is no social legislation in the way of an adequate and up-to-date pension scheme or some system of unemployed insurance. There is no social legislation for the workers in this budget. Many of the toilers in the old country are out of work. People over there got tired of the party system, and they formed the Labour party. And now all the old and new parties in England are in favour of social legislation. We should adopt social legislation in this country adapted to our finances and to our circumstances. If we had a little more practical religion and loved our neighbours as ourselves, this house would not prorogue until the soldiers and their dependents were all properly looked after. We would see that none of God's creatures in Canada who were willing to work were denied the means of earning their livelihood. We would abolish slums; we would solve the housing problem; we would give every man, woman and child in this country a chance to live and exist in a free country as God's creatures.

We require in this country a national policy of health. The cost of sickness in Canada is computed at $311,000,000 a year, eighty-nine per cent of which is a direct charge upon the individual. The loss of future earnings through premature death is conservatively estimated at $1,000,000,000 a year, so that $1,311,000,000 is the price paid for illness and its results in Canada each year. The health of the people is left, under the British North America Act, to the Dominion, and we need a national health policy in this country. In York county, $12.50 a head is spent on education, contrasted with 19 cents per head for public health. This is because the public asks for education, but they have not yet been able to see the value of public health. In England they have had a British board of health since 1831, as a department of the government. That has now developed into the ministry of health, one of the most efficient in the world. In this country we have only had a ministry of health a very short time, since 1927. As an example of what might be done, I might point out that in the year 1925, 30,000 people in the United States died of influenza, 90,000 of tuberculosis, and over 95,000 of cancer. The government will spend $2,000,000 to prevent deaths at level crossings, but very little in the war against disease. The time has come for a national health policy, and millions should be spent in it. Let the government economize on something else of a material nature instead of on something which is at the cost of the lives of our people.

Mr. W. K. BALDWIN (Stanstead): Mr. Speaker, fortunate is the hon. member who follows in debate our most estimable friend from Toronto Northwest (Mr. Church). I find nothing to criticize in what he says.

Turning to the address that was made this afternoon by the acting leader of the opposition (Mr. Guthrie), we all remember the critical times in this house nine or ten years ago when we were fighting over the question of public or private ownership of the railways. We were then sitting to the left of the Speaker, and on both sides of the house were found men in support of one policy or the other. We all remember the attitude of the then Minister of Railways, now sitting in the senate. The greatest critic of public ownership of the railways in the house at that time was the hon. member for Pontiac (Mr. Cahill), and surely he knew railways. We were all more or less skeptical as to the success of the railways under public ownership and administration. We remembered how on the old Intercolonial two-thirds of the passengers travelled without buying tickets, and naturally we who are now sitting on this side of the house were skeptical as to what would happen to the railways so long as the Conservative government was in power. We knew there would be no management worth mentioning so long as the Conservatives were in power. But when the Liberal government came into office, they searched the whole world over and found in Sir Henry Thornton the greatest railway man available, the greatest that could be found in this universe, and undoubtedly he has made an outstanding success in the management of the national system. He would not undertake the management until the government had promised him a free hand in the management of the road. He sought and obtained the loyal cooperation of every employee of the system,

and under his management the road has progressed until it is now one of the greatest railway systems in the world. The railway committee may be of use to the presidents of the two great railway systems in this country, but personally I would trust Mr. E. W. Beatty, president of the Canadian Pacific, and Sir Henry Thornton, president of the Canadian National, to extend their lines anywhere they saw fit, because I believe they are both men of outstanding ability. Anyone who has travelled extensively must know that the two great railway systems in this country are the equal of any in the world.

The acting leader of the opposition went on to say, in effect, that this government was spending money like drunken sailors, and he condemned them especially for spending money on public works. We all know that during the war, from motives of economy, buildings were not properly maintained, and the result was that public buildings, wharves, and the like, got into a bad state of repair and needed painting inside and out. It is not prudent to allow public property to decay and tumble down, and it was necessary for the government to spend money to put the public works of this country in decent repair.

The acting leader of the opposition assailed the Minister of Agriculture (Mr. Motherwell) in regard to the dairying industry. I should like to tell this house that the Minister of Agriculture has done more for the dairying industry than any other minister of agriculture since confederation. He worked for two years trying to prevent oleomargarine from being imported and sold in Canada. Before its sale was prohibited, you could buy butter much cheaper than you can to-day. If my memory serves me a right—and it is retentive—the leader of the opposition voted against the repeal of the oleomargarine law. But the ex-Minister of Agriculture (Mr. Tolmie), now Premier of British Columbia, Donald Sutherland and three others assisted us through two sessions of parliament in fighting and repealing that law. By that action we did more for the farmers of Canada than has been effected by any other legislation passed by this house. To-day butter is fifty cents a pound. Is that not a sufficiently high price for the labouring man to pay?

An hon. MEMBER: Too much.

Mr. BALDWIN: Yes; but the farmer gets a good price—he is not complaining. I come from an agricultural section, and a section that is also industrial and financial.

Mr. McGIBBON: The hon. member means that the farmers in his riding are not complaining.

Mr. BALDWIN: I mean the whole of Canada.

Mr. McGIBBON: Let the hon. member read the report of the National Dairy Council.

Mr. BALDWIN: Last session the Australian treaty was freely criticized, mainly on the score of the importations of butter from that country, but I have not heard any specific objections so far this session. Then the leader of the opposition assailed business conditions in general. He said the labouring men cannot get work, the farmers have nothing to do. I want to tell you, Mr. Speaker, that a company with which I am connected has brought industries into the eastern townships in the last nine years which industries in buildings and plant have spent $37,500,000, and annually they are paying in wages $5,200,000. Since I heard the hon. gentleman's speech I have received a letter from home. The manager of the small business that has been in my family for the past 120 years wrote me to say that he could not get help to start our mill, the people were so busy. That is typical all over the eastern townships. I happen to be in Montreal pretty often. The hon. leader of the opposition stated that there were a lot of people running around Montreal, Toronto, Winnipeg and Vancouver looking for work. Well, I have not noticed that in Montreal, but it may be that those people belong to that class which hunts for work and prays it wont find any. Nor have I heard of any soup kitchens. He mentioned something about money being collected to help the poor. Well, the poor we shall have with us always, as Scripture tells us.

Then my hon. friend attacked our ambassadorial homes in Washington and London, but I noticed there was not a word about the Scribe hotel. For two or three sessions we were told that the Scribe hotel was one of the greatest scandals in the history of this country. Well, I think the silence of the opposition proves that the Scribe hotel has been a very successful investment. That is why they have dropped the subject. My good friend from Toronto Northwest, mentioned the appointment to the Tokyo embassy. I am pleased that a gentleman from Stanstead county is to represent Canada in that wonderful country, and I am sure the appointment will be justified by the able maner in which our ambassador there will look after Canadian interests. And I think Mr. Massey in Washington is worth to Canada all and more than we are paying him.

With regard to the tariff, boys of my age and a long time before remember that ever since the abrogation by the United States of

the reciprocity treaty in natural products the Conservative party has worked assiduously for its revival. It is useless for me to remind the house that members of Conservative governments from time to time have made more visits to Washington in an attempt to negotiate a treaty for reciprocity in natural products than have the members of Liberal governments. It was not until 1911 that the Conservative party made a change of front and thanks to their flag-waving campaign the country then pronounced itself emphatically against reciprocity with the United States. I believe that if you can have reciprocity equivalent to free trade in natural products it would be all right. But I am a protectionist—an adequate protectionist. I like to look after myself. Self-preservation is a mighty good thing in personal matters, in family matters, in county matters and in national matters.

I believe that we have men on the treasury benches who are big enough to cope with any problem, tariff or otherwise. It has been stated by some of the most prominent men in Montreal that the Beauharnois undertaking would result in a defeat of the government. Now, when I listened to my great chief—great? Yes, just as great as any prime minister that ever stood on the floor of this house—when I heard him map out that triune conference between Ontario, Quebec and the federal government, and his statement that when in that proposed conference they agree on a policy that will suit all parties, then, and not until then, will they resume conferences with the United States. To my mind, that is business.

There seems to be a spirit of fellowship between the other side of the house and this. I have to congratulate the leader of the opposition on having made one of the most comprehensive speeches ever made in this house, but the longer you are on your feet the more you lay yourself open to criticism, and I venture to say that in due time his arguments will be answered satisfactorily to the members on this side. I have not the least doubt.

Now, Canada is a wonderful and amazing country. If we do not know it, let us visit other parts of the globe and we shall realize how the world regards us. I have no fault to find with the member for Frontenac-Addington (Mr. Edwards), but if ever I was surprised by any proceeding in this house it was by his attack on the Minister of the Interior last year. The big Scotch head of the minister is full of common sense; and the best science in the world is the science of common sense, or horse sense. Now, then, the hon. member for Vancouver North (Mr. McRae) elaborated a plan of settlement on a large scale. But it was too expensive. Then a conference of all parties was held, but the great question of filling up our open spaces was not solved. But I think we must acknowledge our Minister of the Interior is a great man, for he did his utmost to make that conference a success. Our great railway systems and other organizations are doing all they can to attract immigrants. Personally I would give very little money to bring people into Canada. If every man and woman, boy and girl, whether at home or abroad, would tell the world what a wonderful country we have here, that would be the best kind of publicity; and if they feel they have not sufficient scope, let them talk of the Great British Empire. There is nothing that makes me shrink with such despair as to hear our boys and girls talking about going to the United States. My business takes me from the Atlantic to the Pacific, and occasionally into the United States, and I know of cities there, with a population of half a million, where the people are talking treason and rebellion and what not. Let a man say that he is from some part of the British Empire and those people will say, "You come from the finest country in the world, where honour and justice prevail". We do not see ourselves as others see us, and I can assure you that there are any number of people in the United States who will readily admit that we have an amazing country in this Dominion. They would come here and buy up every stock outright, our bank stocks, industrials, hydro-electric and everything else, if we let them. But our population, composed of English, Scotch, Irish and French, knows how to take care of itself.

We need patriotism in this country, and this government is doing all in its power to promote harmony among the various classes in Canada. I admire the genuine spirit of fellowship which has been displayed here in the past day or two in settling a great question which has been the subject of considerable debate in the house. The Canadian people are coming more and more to realize the greatness of their country. We are far better off than they are in the United States, if only we will all work together. There you find a population of some fifteen million negroes, and still further south in Mexico you find a terrible and pugnacious people. So far as labour is concerned, we have room for all those who wish to come in. An appreciable distance west of the Mississippi you will find labour of

the class we have not in Canada, and on the Pacific coast there are crowds of Chinese, Japanese, and Mexicans. These people work seven days in the week and they work like Trojans. For my part I have nothing against them, and in this regard my views are well known; it will be found in many volumes of Hansard. I would let everyone come in who was law-abiding and willing to work, because I am not very strong on the colour line, for the simple reason that this climate will not attract the coloured races in great numbers.

I have spoken many times regarding the West Indies, and I firmly maintain that we should have political union with that section of the empire. As a result of the part we played in the war, we have a tremendous debt. Why, therefore, should not Great Britain acknowledge the right of Canada to have something for her sacrifice of life and money? And there is nothing at all unreasonable in the proposal. Take the United States: they have added as much territory to their domain as they had sixty-five years ago. Now they have Cuba, Porto Rico and other places, and the annexation has proved beneficial to both parties. If Canada could annex the British West Indies it would be a good thing not only for the West Indies themselves but for this country as well. The same thing applies to Newfoundland, where there are water-powers and other resources that could be developed advantageously. Certainly I believe that an arrangement could be arrived at between Canada on the one hand and the British West Indies and the mother country on the other, whereby we could have a very helpful political union. The method of representation of the West Indies in this parliament could be worked out; possibly they could have representatives in the senate. There are only two and a half million people in the British West Indies and there should be no difficulty in arranging this union. True, their skins are dark, but I am sure that no one would compare them with the coloured population of the United States. Booker T. Washington was, of course, a great man, and he was educated to some extent along high ideals. But I do not think that the coloured population of the United States, taken altogether, could compare with the people of the West Indies. I have attended conferences in Canada at which there were representatives from the British West Indies and I am bound to say I never heard more capable speakers. They also speak with a very pleasing accent. So far as I can see, therefore, there is no obstacle in the way of a political union between Canada and that promising part of the empire.

I would not offer very much assistance in the way of money as an inducement to get people to come to this country. In my opinion that is absolutely ridiculous. Let us make it known throughout the world that this is one of the greatest countries to which any man could come who was looking for an opportunity to make his way in life. Do not let us entertain any prejudices against some of the excellent European peoples merely because we happen to have fought against them some years ago. I do not want to say anything to hurt the feelings of anyone, but I may remark that during the war the people of one of the finest countries in the world, the Germans, were unduly criticized. Right in these benches in the Union government anyone who had a drop of German blood in his veins was regarded as a murderer. But some of the most progressive, some of the richest states in the American union are settled by these people. Take Wisconsin and Minnesota for instance: some of the richest sections in those states are peopled by Norwegians, Germans and immigrants from Sweden. I would have no barriers against immigration into Canada. I have seen people pouring into New York by the thousand, and I see no reason why they should be shut out. It is a good deal like fencing out sheep when some have tasted the pasture on the other side. You may build your fence as high as you like, but some leader will find his way through and others will follow. I have no doubt that many people are getting into the United States from Canada through the international border. Young men go there in search of work and after applying for one job after another they finally take to the shovel and spade. Then they are glad enough to come back to Canada; and they come back singing, "Home, Sweet Home." Tens of thousands of people who go there are forced to come back. If I were in charge of affairs in the United States and I had a lot of disgruntled people in the east and middle west to deal with, I would give them free transportation to the arid belt.

In the United States they have their troubles; the automobile has destroyed them; they have the curse and cancer of divorce. In Los Angeles nearly 5,000 divorces are granted each year and at Reno, Nevada, it is a daily occurrence. A man sees some little butterfly on the street and thinks what a wonderful time he would have if she were his wife, but if he gets her he probably

has to darn his own socks and get his own breakfast, and if he has any money in his pockets she gets it when he goes to sleep. They have a great many things in the United States, but we must remember that the courts of Los Angeles are running every day of the week except Sunday; they have a seventeen story jail there and all the prisons are filled to overflowing. I have considerable property in the United States which I am willing to sell at any price. If you sell a farm in the United States the purchaser will not farm it; he may raise a few potatoes, but they are no more fit to eat than are green bananas, and I would much prefer a good Irish potato raised here in Canada. We have an example of what the Irish potato has done; look at that good old Irish race. They say the Irishmen did not know how to run their own country, but if you go to any part of the world you will find Irishmen helping to run almost every other country. I was in Louisiana shortly after Governor Long had been elected; he is an Irishman. The amount of money in the United States is perfectly amazing, but we must remember that in order to make that money the United States made a terrible sacrifice of human life. If I had been Stanley Baldwin instead of Billy Baldwin, when the delegation went to the United States to settle the war debt I would have said, "This settlement shall be contingent upon France, Italy, Germany and Russia paying their debts to us; if they default we will default also." Then we would have had the moral support of the United States in collecting those debts. Great Britain has been the greatest colonizing power the world has ever known and has done more for civilization than any other nation. You will remember that in his inaugural speech President Hoover said the United States was a cosmopolitan nation made up of all peoples of the world, but only one nation gave them their language. We know the country to which he referred, and I consider that a great compliment. If we must ape the United States, let us take her best features and leave her worst; then we will make great progress, because that country has a great many splendid things about it, but we should inform our young men and women that if they go to the United States to look for work they have not one chance in fifteen of becoming successful in comparison to the chances they have here in Canada.

Are our fathers and mothers doing their duty in this country? I think not. When I was a boy there was more love of country, more patriotism and more talk of Canada and the British Empire than we hear now. Nowadays everyone is busy trying to make money; we are making money, but the man who can make money and still keep his head is rare. Has anyone ever thought just what one good labouring man means to a country? You cannot compute it, so we should make every effort to keep these people, their children and their children's children in this country. My best friends, and those for whom I would do the most, are those who earn their daily bread, who do it cheerfully and make play of their work.

Mr. KAISER: Who does not earn his daily bread?

Mr. BALDWIN: I think there are quite a number of people in this country who do not earn their bread. Under our present system when a man commits a crime we put him in gaol; while he is there he spends his time thinking up what deviltry he will do when he gets out. I would make every man in gaol work until he would be glad to go to bed; I would treat him fairly well and perhaps pay him something for his work, but a country that keeps its prisoners in idleness makes a great mistake. I undesrtand that prisoners are not now allowed to work and I consider that very wrong; people who are sent to jail should leave after serving their sentences better men and women than when they went to jail. Last year it was proposed to lash a prisoner when he entered gaol and to lash him when he left; would that sort of thing make a good man out of him? These people can be made into good citizens; in the United States the prisoners farm large areas of land, and when these people have served their sentences and return to society they are respected by their neighbours. That is as it should be; I presume there are just as good people in gaol as are out of it.

I have found wonderful Jewish lawyers in New York, Chicago and Los Angeles—

An hon. MEMBER: And Montreal.

Mr. BALDWIN: Yes, and Montreal. I have confidence in the Jew. He is a good worker and he does not drink. That brings me to the subject of drunkenness, and I must say that I am sorry that Canada has undertaken to handle intoxicating liquors. I am proud of Prince Edward Island and I always thought that Canada could beat the States as far as prohibition was concerned. You can not have people drunk and prosperous at the same time, for the man is spending his money for drink when he should be keeping it in his pocket. I have great admiration for that woman's organization known as the Women's Christian Temperance Union. They are the most capable women in the world. During

one of my campaigns the gentleman who opposed me made fun of them, but he lost many votes through his tactics. I believe the women are the salvation of the world, and only the married man knows what a wonderful woman a wife is.

There has been criticism offered with regard to the Minister of Finance who has saved this country $25,000,000. I would have liked to see that little pestiferous tax, the sales tax, cut out altogether. I am a small manufacturer, but I would rather do a little business at a fair profit than a large business at a loss. I am told that the large manufacturers are always paying so much sales tax at any given time that it would be impossible to take the whole tax off at once. But we got it down to two per cent. I would like to see this tax enforced through stamps, for it would be much simpler to go down and buy $10 or $100 worth of stamps than it is at the present time when you have to fill out so many forms. I do not want to say anything about nationalities, but there are many small clothing stores, employing ten or fifteen girls up in an attic, which do not pay any tax. On the other hand the big concerns with their bookkeepers and accountants have to account for every dollar and have to pay their tax. Some manufacturers have a hard time getting enough money to pay their help. The hardest task of the management is to get enough money to pay their employees in full. The average workingman is quite honest; you do not see many here in Ottawa soldiering on their jobs. I saw one man lay down his shovel to light his pipe, but he did it mighty quick. In Montreal or some of the big cities you may see them soldiering on the job, but not in Ottawa.

I have some very important things to say but my time is limited. I am sure that even the members on the opposite side of the house will acknowledge that we have a splendid cabinet. Sir Wilfrid Laurier picked a wonderful cabinet in 1896. I have sat in parliament with most of them and I know their worth. We have men of vigour and ability in the cabinet to-day; men of youth and sound physique and they will be able to hold their position so long as the electors choose to send them here. I believe the Liberal party is going to stay on the right of the Speaker for a long time. I think the Prime Minister of this country should receive at least $30,000 per year. I know many men connected with great corporations, where through the interlocking of subsidiary companies they act as president of one, general manager of another and vice president of still another. They may receive $75,000 per year, and I think our Prime Minister should be paid much more than he is receiving at present, considering the importance of the position.

An hon. MEMBER: How much would you pay the Minister of Railways?

Mr. BALDWIN: I would give him just as much as the rest of the cabinet.

As my time seems to have expired, I supposed I am forced to conclude my remarks.

Mr. A. E. ROSS (Kingston City): Mr. Speaker, I am sure we have listened to a splendid defence of the Robb budget. At the time that budget was delivered I thought it had some very good points in that it was clear, short and concise, but after our acting leader of the opposition (Mr. Guthrie) analysed it this afternoon I discovered there was something very much wrong with it. I am sure that every member of the house will congratulate the acting leader of the opposition upon his splendid budget criticism. I have heard compliments from both sides of the house and from all groups, on its being one of the best speeches delivered in the house for many, many years. When the acting leader of the opposition had completed his exposition of the government and the members composing it, I felt that we must have some doubt in our minds as to the opinion expressed by the Prime Minister (Mr. Mackenzie King) at the beginning of the session. During the early days of the session, when he was reminded that the prosperity of the country was in some measure due to the gifts of a kindly Providence, he pointed out that Providence must act through men and governments. He was not willing at all to give the credit to Providence for any part of our prosperity, but according to him it must be due to a combination of "Me und Gott."

I should like to remind the house that Providence is associated in a very peculiar way with this government. For example, one year ago the Prime Minister brought to our notice the case of many aged, dependent citizens of the country and the government introduced a policy of old age pensions. I can hear the Minister of Labour (Mr. Heenan), that kindly hearted Canadian citizen, speaking to the numerous audiences he has addressed and those he will address in the future of the beneficence of the Prime Minister who has so carefully provided, in association with a kindly Providence, for our aged and dependent citizens. But what must the good Providence feel like when, at this early date after the passage of that great measure, the Prime Minister pronounces this

beneficent act coming from this government as a "vicious policy"? This is only one example of the actions of the men in this government with whom Providence has to act. If you want to picture Providence acting with men and governments as the Prime Minister said, picture it acting now through the kindly heart of the Postmaster General (Mr. Veniot) in a policy of execution of postmasters. Picture Providence cooperating with the Minister of Agriculture (Mr. Motherwell) in his trip of economy through Europe taking along with him a government car and a government chauffeur.

Mr. MANION: "What have you to say about it?"

Mr. ROSS (Kingston): I have nothing to say about it. I am sure he has made the Minister of Public Works (Mr. Elliott) jealous that he cannot visit those places in Europe, for instance, the beautiful resorts of France. If the Minister of Agriculture had taken a government car and made a trip to the Holy Land where he might have been reminded of his sins of past days, I might have found some excuse for his trip with a government car and chauffeur.

On that occasion there was a second statement made by the Prime Minister, namely, that the prosperity was due to the policy brought in by the Robb budget. I have searched for a policy in the budget and even in the address and I can find no statement of a national policy of any kind that this country can build upon or look to with any hope. If there is one I should like to know it. If I were to pick out a policy that would mark this government, I would say that it had a policy of beautification. The government has set about to beautify this capital. I think the object was that people coming to the capital would be able to view from the great confederation square these magnificent buildings, but if one should go down on that so-called confederation square to-day where there has been so much destruction, and endeavour to get a view of these beautiful buildings, he would have to be cross-eyed to see them. They have beautified the capital of the United States to the extent of about $500,000; they have beautified the capital of Great Britain to the extent of more than a million dollars; they have yet to beautify the capital of Japan and the capital of France. When they get through with that, they will start on a policy of beautification of these great ambassadors of ours. One in Washington is already beautified and we are waiting with some interest to see what the beautiful adornment of this great minister to Tokyo will be. In fact the only policy of the government is that of a beauty parlour.

Turning to the Robb budget, so-called, as I have said it has merit. It has described in a simple way expenditures and revenues. There is nothing new in that. It has described our public debt. Our leader has dealt with those matters which are of financial importance and I am going to pass them by. It showed that we have a certain amount of prosperity. Everyone will admit that the country is prosperous; it cannot help being prosperous. While I admit there are some merits in the budget, I fail to find in it or the address which has been passed—because these two things combined should place before us the policy of the government and show us what is intended for the future—any effort on the part of the government to care for the people of Canada. You might say that they constitute rather a failure to provide. I would go further and say that the budget was well named in being called a Robb budget because we find that the result of the several Robb budgets that have been brought down is that they are robbing the country of certain factors we should have.

We can picture the prosperity of Canada. The Minister of Finance might well speak of all that the country now has and will have, of its possibilities in the making of a happy and contented people, of the attractions that we have to draw people to it, of the possibilities of establishing and building up great industries, and also of making a happy and contented agricultural people; and yet I can find nothing of that in the budget. The Minister of Finance and every minister on the government benches must admit that in spite of all our prosperity, in spite of all our possibilities, in spite of all that this country has in the way of resources, too many people are leaving Canada. Surely there must be some way to remedy this situation. The report of the United States Commissioner of Immigration shows that last year we lost some 73,963 people to the United States. Of that number we lost from the province of Quebec 17,963. I can imagine some member of the government rising in his place and answering: Oh, yes, but the number is decreasing year by year. Is that due to any policy of this government? Is it due to any one of the Robb budgets? Not one bit. Let me read to you what the United States Commissioner of Immigration says with respect to this matter:

Immigration from Canada has decreased from year to year since the present quota law became effective July 1, 1924.

It was in 1924 that we had the first tinkering with the tariff, and in that year some 200,000 people left this country. But in 1925, following the introduction of the United States visa law, which compelled everyone leaving this country and entering the United States to pay $8 per head, there was a decrease, and no wonder; but it was not due to any policy which this government had put in force; it was due to the law which the United States government had put into effect to prevent the great flow of people across the line from this country resulting from the policies initiated and brought into force by this government.

There are other factors connected with the immigration from this country of 73,000 people which are more important still, and which show that the successive Robb budgets are continually robbing us of something which cannot be measured in dollars and cents. Of the 73,000 who left this country, 11,009 were under sixteen years of age; 17,045 were between sixteen and twenty-one years; 21,000 were between twenty-two and twenty-nine; 10,000 were between thirty and thirty-seven; 5,000 between thirty-eight and forty-four; 8,000 between forty-five and fifty-five. In other words we are losing to the United States the best that this country produces, the young people; for of this 73,000 we find that 28,000 were under the age of twenty-one. So perhaps the Robb budget is well named, because we are losing our most valuable assets, the young people of this country.

The budgets that we have had for the last three or four years also show that we are acting in a very unreasonable way in another respect. I should like to draw the attention of the house to a few facts regarding our imports and exports; and by the way, I am shortening my remarks on this phase because our leader dealt so ably with this subject this afternoon. Here are a few facts I have taken from the trade reports of this country, from which we can assuredly draw some useful lessons; and I am going to put them to the house in a way that appears interesting to me. In 1927 there were imported into this country $12,160,529 worth of engines, boilers and locomotives. No one will deny that we can and do manufacture these articles in Canada, yet we imported them in 1927 to the amount I have stated. If these figures of importation were continually decreasing we might say that the government was doing something, but on the contrary our imports are constantly rising. In 1928, engines, boilers and locomotives were imported into this country to the value of $13,559,000. Of rolling mill products—I am selecting these items because they affect very considerably the small cities and towns along our frontier—we imported in 1927, $34,000,000; 1928, $44,000,000; tools, 1927, $1,800,000; 1928, $2,238,000; wool and its products, an article that should not be found in our imports, in 1927, $34,000,000 and in 1928, $38,000,000 worth; of textile products, in 1927, $14,000,000; in 1928, $15,000,000; milk and its products, in 1927, $2,700,000; 1928, $3,194,000 worth.

Now, turning to the other side, what do we find in the way of exports of similar goods? In 1927 we exported $8,700,000 worth of textiles, and in 1928, $7,600,000 worth; of animal products, in 1927, $128,000,000; 1928, $126,000,000; of rolling mills products, 1927, $1,600,000; 1928, $862,000; of farm machinery and implements, 1927, $11,000,000; 1928, $10,000,000.

Under the policies that have been brought into force by this government you will notice that in each one of these lines our imports are increasing each year and our exports decreasing. Surely the lesson is plain. Placing these import and export figures side by side, we see that during the life of this government our imports under the Robb budgets have been increasing each year, and our exports decreasing. What does that mean? It means less work in Canada and more work in the United States and other countries; and it is for these reasons that our young people, the working people of this country, are leaving for the United States, as many of them as can pay their $8 head tax and get out.

Three years ago I followed this same line and I pointed to information given to me by experienced superintendents of factories and experienced workmen to the effect that if we manufactured in this country, as we could, the goods we are importing, there would be work for 74,000 more people in this country. Based on the ordinary family we would have in the neighbourhood of three hundred thousand more people if a different policy had been adopted. Now with the increase that is taking place I am satisfied that we would have four hundred thousand more people working here under those circumstances.

I go still further. Since the introduction of the Robb budget and the treaties that followed we are affected in a similar way along other lines. To-day our leader gave figures of the importations of Australian and New Zealand butter. I am not going to deal with the subject because others better qualified to speak from the agricultural point of view will discuss it; but I want to point out to the government something that is taking

place at the present time. Last year and the year before you could go into any grocery store in this and other cities and towns and buy over the counter Australian and New Zealand butter. To-day if a member of this house went to any of those stores and asked for a pound of Australian or New Zealand butter he would be told there was none available. But you can buy butter at those stores which I am told any person who has had experience can detect at once to be New Zealand or Australian butter. An injustice is being done our dairy farmers, and I should like the Minister of Agriculture to solve the mystery. Undoubtedly a double robbery is taking place: the agriculturist is robbed of his home market, which he is entitled to; and, if what I suspect is going on, the consumer also is being robbed, for he is paying from three to four cents a pound more for that mislabelled butter than if it were sold for what it really is—New Zealand butter. Notwithstanding this apparent absence of Australian and New Zealand butter our importations are increasing. I think this should engage the attention of the Minister of Agriculture and his colleagues.

By way of emphasizing and demonstrating the fact that the government are providing work for our friends across the line to the detriment of Canadian interests, I desire to bring to their attention a matter which is very generally discussed among those engaged in shipping on the great lakes. As is well known, our coastal law prevents American boats trading between Canadian ports, but by order in council they have been allowed to unload their cargo at a Canadian port provided they do not return to the Canadian head of the lakes for a second cargo. Nevertheless they have evaded the law and returned with another cargo. This has been drawn to the attention of the government for some time, and the lack of any action on their part forces one to the conclusion that, in a way, they favour American interests to the detriment of Canadian. During the past summer it was repeatedly drawn to the attention of the government that American boats were unloading grain and returning to the Canadian read of the lakes for a second cargo. If this was a matter of urgency and expediency, well and good; but it is not. This practice works to the detriment of Canadian labour and Canadian shipping interests. When the government could give no satisfactory answer as to whether or not this practice was to continue, I sent the following telegram to the Commissioner of Customs at Ottawa:

[Mr. A. E. Ross.]

Understand United States vessels loading storage cargoes of grain at Canadian ports under order in council 1599 and have unloaded at Canadian ports in Georgian bay and at Port Colborne, and returned for second cargo at Canadian head of lakes. Will you please state whether this is done in violation of the statute and order in council, or whether special permission was given, and if so whether given by further order in council. Vessels named so far are Berwind and Charles Hutchinson, but others are following. Please telegraph and confirm with full particulars.

In reply I received the following telegram:

Order in council provide that certain vessels may load grain for winter storage and unload such cargo at Canadian or United States port on resumption of navigation next spring, or unload at shipper's option at any such ports on or before opening of navigation next year. There is reasonable ground for the shippers to believe that the provisions of the order in council have not been violated.

Again we telegraphed that this practice was going on to the disadvantage of Canadian shippers, Canadian working men and Canadian homes. What was the answer? I ask hon. members to pay attention to this telegram from the Commissioner of Customs:

Order in council was not passed on recommendation of minister of this department, and the department considers order in council permitted action which has taken place.

Does this mean that this divinely chosen body of administrators are not acting in co-operation, that the minister of one department can have an order in council passed which will violate the principles of another department, or that one minister is not in touch with his colleagues? The whole procedure savours of favoritism to our friends to the south, to the disadvantage of Canadian commercial interests. It may be that the government has a sufficient answer, but in the meantime commercial interests have suffered, not only for one season but for several, and Canadian bottoms which are doing their best to give a satisfactory service are being discriminated against in favour of American boats.

Mr. YOUNG (Weyburn): Is my friend objecting to American boats carrying Canadian grain?

Mr. ROSS (Kingston): Not at all. The hon. member does not get the point.

Mr. MALCOLM: They load for winter storage.

Mr. ROSS (Kingston): I think the Minister of Trade and Commerce (Mr. Malcolm) understands.

Mr. MALCOLM: If I may interrupt—I think my hon. friend will admit that the practice has been carried on for a great many years; it is not new at all.

Mr. ROSS (Kingston): We have asked for the new order in council permitting it, if there is any. It has been drawn to the attention of the government not once but many times. If the practice has been carried on for a great many years, surely the minister will admit that it is time to stop it.

Mr. MALCOLM: I admit that what the hon. member says is quite true. It is a very old practice each fall for the shippers of grain to request the privilege of allowing American bottoms to store winter grain. Permission has always been granted by special order in council each fall. I agree with my hon. friend that Canadian shipping men have almost every year of which I have found a record protested as my hon. friend is protesting to-night. I have no objection to the protest. It is only a question of judgment whether it is wise to continue to allow that winter storage.

Mr. ROSS (Kingston): Again I would ask the minister to note that it is not a matter of storage; we are agreed on that. We let them all come in and bring their grain. The minister knows as well as I do, however, that it is a violation of the law for these boats to go back and get another cargo. There is where the Canadian law is violated.

Mr. MANION: After unloading in a Canadian port.

Mr. ROSS (Kingston): Yes; the minister knows that.

Mr. MALCOLM: I had not known of the violation; I am free to admit that.

Mr. MANION: It happened last year.

Mr. ROSS (Kingston): These telegrams—

Mr. MALCOLM: I think my hon. friend will believe me when I say that this is the first I have heard of it.

Mr. ROSS (Kingston): I cannot understand it. If this is a divinely chosen body cooperating with Providence, as the Prime Minister tells us, to produce prosperity in this country, and they do not know after a dozen telegrams or so, then I do not know how much we can assign to Providence and how much to the men in the government.

Mr. STEVENS: Ninety-nine and a half per cent.

Mr. MALCOLM: Make it three-quarters.

Mr. ROSS (Kingston): I have endeavoured to bring forward some new matters and I have gone into a fairly complete analysis of them. But let me say this before I sit down. While we say that the budget has done some good, we contend that there is displayed in the budget and in the policy of the government a total disregard for the development of this country. There is a total want of care or interest in providing work in this country, and I have shown that if we were to adopt a policy of the kind I have indicated we could save millions and have a greater population. In the budget which has been brought down one cannot help feeling just as our good friend from Stanstead (Mr. Baldwin) feels, in treating things: why take a little bit of a bite? The governement have made out of this sales tax now enough money to represent all the reduction in the debt. If the sales tax had been properly administered, if it had been properly arranged, it would have been a good thing. It was intended that the sales tax should guard against an excessive expenditure of money in this country. But it has not been administered along that line; it has not been used for that purpose. And the government, I repeat, have already made out of the sales tax enough money to equal every bit of surplus they have had in the past. The time has come, therefore, when this parliament should take a firm stand and say that instead of taking off a cent or half a cent or a quarter the government should abolish the sales tax.

The government have merely taken off two or three little things that they themselves put on. They put on these extra nuisance taxes. They criticized the old sales tax, but when they came in they imposed a heavier sales tax. Now the time has come, I say, when instead of taking off that little bit we should insist that the Minister of Finance abolish the whole thing and throw it into the scrap can.

There is another feature in which there is unfair treatment. The government have made a great ado about changes in postage. Sometimes these changes are put through in the budget and sometimes by order of the Great Executioner. At any rate, they are little bits of things. But the minister is yet holding over the cities that little war tax on postage, and I think the time has now come when he should decide to put back the postage in the city to what it was in pre-war days, just as it is in all other parts of Canada.

It seems to me that this budget, or any other budget, should pronounce some definite policy of debt reduction. I believe the Minister of Finance, in regard to interest and refunding, got his only hint from the speech

—the only constructive speech—delivered by the hon. member for Toronto East Centre (Mr. Matthews). Following that speech there was a little bit of refunding and saving of interest, and if the minister went a little further and listened to another speech from the same hon. gentleman he might come back with some definite policy of debt reduction.

I submit further that the next budget should be a fair budget; it should not be a one-sided budget. It should set forth our railway financing. Whether it is a debt on the country or whether it is not, it should be shown in the budget and not be hidden, leading us to believe that we are saving a lot of money and getting out of debt when as a matter of fact, according to the interpretation given by some of our financial position, we are not. These are some suggestions which I should like to see taken into account.

Again, between the address and the budget we should now have got down to some stated immigration policy. This government, since it has come into power, has had twenty immigration policies. And has it completed any one of them? What the policy is to-day no one knows. We are going along in a bog and fog and nobody knows. At one time we are told that no obstacle is placed in the way of our blood relations coming from Great Britain; but let one of these fellows offer to come here and he has to go to a great deal of trouble, answer a great many questions, fill in a number of forms, and pass medical examinations which in my opinion are an insult to the medical profession of Great Britain. It is an insult to them that we should send our medical men over there, as much as to say that they could not do the work properly. If the roster doctors whom we had before were given distinct instructions from the department, they could do the work. At any rate, there are still obstacles in the way to anyone from Great Britain who can pay his way to Canada.

I submit therefore, that we should have a well defined policy laid down by this government. But what have they done? We hear a lot about status, ambassadorial pilgrimages, appointments and so forth. But what have we in the way of a straight agricultural policy? The Minister of Agriculture made a very delightful trip over to France. May I tell him something in the way of economy as practised over there? I should like him to have looked over conditions in France. Had he done so he would have found that the Department of Agriculture in that country looks after its people. Wherever they find over-production in any commodity they immediately go into the raising of something else. It seems to me it is a good thing that the Prime Minister never put into practice to the full extent the promise he made this country that free potatoes would be brought in. What a calamity that would have been to the province of the Postmaster General, where potatoes are selling to-day at thirty cents a bag. In France, had the minister studied the situation there, he would have found a department of agriculture which is an adviser and a parent to the agricultural people of that country, keeping them in touch with conditions, advising them what to raise and how to dispose of their surplus. But in this country there is no policy of any sort along the lines of agriculture.

[Mr. A. E. Ross.]

On motion of Mr. Manion the debate was adjourned.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, March 8, 1929

The house met at three o'clock.

PRIVILEGE—Mr. CAHAN

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I wish to refer to a matter of privilege, and with the leave of the house I should like to make a short explanation of a personal character in connection therewith. In the Mail and Empire of Toronto of yesterday's date there appears an article from its staff reporter, Mr. T. H. Blacklock, whose name is attached thereto, and which is entitled:

> Cahan at odds with his party. Member for St. Lawrence-St. George against provincial ownership. Water-power issue.

I wish to say that there is not a shadow of a scintilla of truth in the implications of those headlines. In so far as this article relates to water-powers within the older provinces, I have always contended, and I stated in the debate on Wednesday last, that I believe that, subject to the incidental rights of riparian owners, these water-powers are vested in the crown in the right of the respective provincial governments, and that they are subject to the exclusive legislative jurisdiction of the respective legislatures of the several original provinces of this Dominion. In so far as this article refers to water-powers, which form a

part of the natural resources of the three prairie provinces, I have constantly and consistently advocated that these water-powers should be vested in the crown in the right of the three prairie provinces respectively, and be subject to the exclusive legislative jurisdiction of their respective legislatures.

At the National Conservative convention at Winnipeg I assisted in the preparation and final revision of a resolution which I strenuously advocated in the resolutions committee, and subsequently in open convention, and which, as unanimously adopted by that convention, reads as follows:

> That in the best interests of confederation and the economic development of western Canada, the provinces of Manitoba, Saskatchewan and Alberta should be granted their natural resources, free from restrictions, within the legislative competence of the parliament of Canada, with provisions for the maintenance and administration of the school lands and school land endowment funds for educational purposes according to the laws of the respective provinces, but in compliance with the letter and spirit of the constitution, and that the claims of those provinces to compensation for loss for lands and resources alienated, and the claims of any other provinces in connection with this subject, should be investigated with a view to a satisfactory and equitable adjustment.

On February 18 last I advocated in this house the adoption by the house of a resolution introduced on that day, which was expressed in exactly the same terms as the Winnipeg resolution which I have just quoted. That resolution was approved and accepted by the Prime Minister (Mr. Mackenzie King) and passed unanimously by this house, and thereby, in my opinion, became an expression of the public policy of this government, of this house and of this country.

On Tuesday last, March 5, an amendment was moved to the Woodsworth motion, then pending, by the hon. member for Vancouver Centre (Mr. Stevens), seconded by the hon. member for Fort William (Mr. Manion), which in effect provided that the water-powers in the three prairie provinces should be administered by the respective provinces, under legislation to be enacted by the legislatures of those provinces respectively, pending the final transfer to each province of its natural resources, in pursuance of the negotiations now pending between the Dominion government and the several respective governments of the prairie provinces.

This Stevens amendment was, in my opinion, entirely consistent with the resolution passed by the National Conservative convention at Winnipeg, and also with the resolution, expressed in the same terms, which was unanimously adopted by this house on February 18 last.

I then advocated in this house the adoption of the Stevens amendment. On the day on which that amendment was introduced it had previously been considered and, as I understand, unanimously approved by the Conservative members of this house, and, when introduced by the member for Vancouver Centre, it was accepted by the Prime Minister on behalf of his government and his party following.

I voted for the Stevens amendment in the form in which it was introduced, and in accordance with what I believe to be the spirit and intent of the Winnipeg resolution, and also the spirit and intent of the resolution unanimously adopted by this house on February 18 last. I afterwards voted against the subamendment which was subsequently moved by the hon. member for Nelson (Mr. Bird), a member of the Progressive party, because, according to my interpretation of the Bird amendment, I believed that it tended to place restrictions upon the respective legislatures of the three prairie provinces in the free exercise of their constitutional rights; and because I believed that the Bird amendment was not in accordance with the clearly declared policy of the Conservative party, and the clearly declared policy of this house that:

> The provinces of Manitoba, Saskatchewan and Alberta should be granted their natural resources free from restrictions within the legislative competence of the parliament of Canada;

Provided that the subsequent legislative enactments of the legislatures of these provinces respectively, in respect of their water-powers, should be in compliance with the letter and spirit of the constitution by which they are governed.

Further on in this article Mr. Blacklock says:

> In the vote to-day to give the legislatures of the provinces the final say in the disposal of power sites, all the Conservatives, except C. H. Cahan (St. Lawrence-St. George, Montréal), and most of the Progressives supported this principle. Mr. Cahan's repeated disassociation of himself from the Conservative party has aroused considerable feeling.

My explanation of that statement is that it is entirely erroneous in saying that in voting against the Bird amendment I voted against giving to the legislatures of the provinces the final say with regard to the disposal of their power sites. If the Stevens amendment meant anything, it meant, in my opinion, that the

final disposal of the power sites must be in compliance with any constitutional legislation which each of the said several provinces might enact. Furthermore, Mr. Blacklock states:

> It is fortunate that Mr. Cahan's repeated defection from the Conservative party indicates that the party is in harmony with the more progressive sentiment throughout the Dominion.

I do not know whether that is intended to refer to the progressive sentiment as represented by the hon. members to my left and by the hon. member for Nelson (Mr. Bird), who at times is an active and eloquent exponent of the views of that party, but Mr. Blacklock proceeds:

> His political vision does not extend beyond the island of Montreal, and what might have been an embarrassment from anyone else has really proved a valuable asset to his occasional leader and colleagues.

I do represent one of the central constituencies of the island of Montreal, and by way of explanation and emphasis I may say that the island of Montreal comprises one-ninth of the entire population of Canada; it has a population equal to one-half that of the three prairie provinces.

Mr. HEAPS: On a point of order, Mr. Speaker, I would like to know whether the population of the island of Montreal is relevant to a question of privilege.

Mr. SPEAKER: The hon. gentleman is giving a personal explanation on a question of privilege, and I believe he is quite within his rights.

Mr. CAHAN: As I was saying, the population of the island of Montreal is equal to one-half that of the three prairie provinces, which have an aggregate representation of fifty-four members in this house; it has a population twice as large as that of Manitoba, which has a representation of seventeen members in this house. Therefore, in the unavoidable absence of my colleagues from Montreal who sit on this side of the house, I am entitled to express here from time to time what I believe to be the sentiment and views of the people of that island. I do not know what is intended by Mr. Blacklock's reference to the occasional leader of the Conservative party, but I do not assume that the hon. member for Nelson, however eloquent he may be in this house, claims to be entitled at all times to the leadership of the Conservative party in this chamber.

Since I have been a member of this house I have always endeavoured to consider and discuss broad national issues and interests from a really national standpoint in the realization that the larger interests of the city and district of Montreal are really of national importance. I have been ever desirous of conciliating, when it has not been possible to eliminate, merely sectional prejudices and antipathies, and to that end I trust that, in my behaviour in this house since I have been a member, I have treated my colleagues here with the same courtesy and consideration they have ever accorded me. So I trust that the Mail and Empire will give at least equal prominence to my statement to that given the article by their staff correspondent in the press gallery of this house.

PRIVATE BILL

FIRST READING

Bill No. 74, respecting The Premier Guarantee and Accident Insurance Company of Canada.—Mr. Lawson.

REPORTS OF COMMITTEES

Third report of select standing committee on railways, canals and telegraph lines—Mr. Cahill.

Third report of select standing committee on banking and commerce—Mr. Hay.

NAVIGATION AND WATER POWERS

DOMINION-PROVINCIAL JURISDICTION—REFERENCE TO SUPREME COURT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to lay on the table the questions submitted to the Supreme Court of Canada and the formal answers thereto in the matter of a reference as to the relative rights of the Dominion and the provinces, respectively, in relation to the proprietary interest in, and legislative control over, waters with respect to navigation and water-powers created or made available by or in connection with works for the improvement of navigation, and also the factum on behalf of the Attorney General of Canada in this matter. These documents were requested by the hon. member for Leeds (Mr. Stewart), the day before yesterday.

Mr. HANSON: May I ask if the reasons for judgment are included in the papers just laid on the table, also whether or not these papers will be printed?

Mr. MACKENZIE KING: The question of printing is for the joint committee on printing to decide. With relation to my hon. friend's other question, the opinion and the reasons for the opinion are contained in the papers I have tabled.

COMMITTEE ON AGRICULTURE

REFERENCE OF ANNUAL REPORT OF DEPARTMENT OF AGRICULTURE AND COLONIZATION

Mr. W. F. KAY (Brome-Missisquoi): I beg to move, seconded by the hon. member for Queens (Mr. Sinclair), that the report of the Department of Agriculture and Colonization for the year 1928 be referred to the select standing committee on agriculture and colonization.

Motion agreed to.

BEAUHARNOIS POWER PROJECT

ANNOUNCEMENT OF APPROVAL OF PLANS AND SITE UNDER NAVIGABLE WATERS PROTECTION ACT

Hon. J. C. ELLIOTT (Minister of Public Works): Mr. Speaker, I should like to obtain the unanimous consent of the house to make a statement on a matter of public interest and importance. I desire to inform the house that an order has been passed to-day by His Excellency in council approving the plans and site of the Beauharnois Light, Heat & Power Company, as set forth in the company's application to the Department of Public Works. As the house no doubt will desire immediate information with respect to the essential features of the approval granted, I would ask its permission to make a statement which I have prepared with regard to the more important conditions.

Under authority of an act and of an order in council of the province of Quebec a lease was given on June 23, 1928, by the government of that province to the Beauharnois Light, Heat & Power Company. This lease grants to the company the rights of the province of Quebec to such part of the hydraulic powers of the St. Lawrence river as can be developed between lake St. Francis and lake St. Louis through a canal having a maximum capacity of 40,000 cubic feet per second. It contains the provision that if the approbation required from the federal government be not obtained within twelve months from the signature of the lease it may be cancelled by the government of Quebec. The company applied to the Minister of Public Works for the approval of the plans and site of the works proposed under the Navigable Waters Protection Act. In the approval given it is expressly stated that nothing is granted except approval of the proposed works under the provisions of the Navigable Waters Protection Act, and that the approval shall take effect only after an agreement, incorporating the conditions enumerated in the order in council and satisfactory to the Minister of Public Works, has been executed between the company and His Majesty the King.

After an exhaustive investigation a committee of Dominion government engineers reported that the works proposed in the plans and application filed by the company would not in their opinion impede or interfere with navigation if the conditions recommended by the committee are met by the company; and that if the works are constructed in accordance with the plans and conditions they can be efficiently utilized in connection with and as part of a feasible and economical scheme for the deep waterway development of the St. Lawrence river. In this connection I would draw the attention of hon. members to the following conditions which are part of the order in council:

> Whenever the governor in council shall decide to construct locks and appurtenant works to connect lake St. Louis with the canal reach for navigation purposes, His Majesty shall have the right, by his servants or agents to enter upon and use any part of the applicants' lands, buildings, property or works which may be required for the purposes of such construction, and for the operation and maintenance of such locks and appurtenant works when completed, and the applicants shall convey to His Majesty, the King, in the right of the Dominion of Canada, free of all cost or encumbrance, the title to the necessary land sufficient for the site of such locks and appurtenant works, and no claim for any indemnity whatsoever owing to loss or inconvenience to works, operations, installations or distribution of power will be made by the company arising out of the construction of temporary or permanent works by His Majesty, either at the entry works, along the course of the stream, or at or below the proposed works.

In other words, should the government at any future time desire to use the canal constructed by the Beauharnois power company as a part of the greater St. Lawrence shipway, this substantial link, estimated to cost $16,000,000, will become the property of the people of Canada free of cost. Another condition of the order in council is as follows:

> The approval hereby granted is given upon and subject to the condition that in case it should be judicially determined that His Majesty in the right of the Dominion is entitled to any of the power now or hereafter to be developed in connection with the works the subject of this approval or any works hereafter to be constructed by virtue hereof by the company or which His Majesty may construct then and in such event the company shall pay to His Majesty in the right of the Dominion such compensation by way of annual rental as the governor in council may from time to time determine, and shall comply with all rules and regulations which may be made by the governor in council with respect to the rentals to be paid to the government, the sale

of power, the regulation of price thereof and the other matters now referred to in the regulations respecting Dominion water-powers.

Approval by the government of the application, is given subject to conditions which also include provisions,—

That the diversion of water authorized by the province of Quebec shall be effected by and at the cost of the company by the construction of a canal 600 feet wide on the bottom, by 27 feet in depth at low stage, and at a rate of flow not exceeding 2¼ feet per second; that the canal, the embankments, walls, and retaining structures shall be constructed and maintained by the company in accordance with the standards of the international joint board of engineers and that the canal and every part thereof shall be constantly available for public navigation to the same extent as that provided in the case of the new Welland ship canal;

That the company shall convey to the crown in the right of the Dominion of Canada, free of all cost or encumbrance, whatever property may be selected by the government for the purpose of sites for locks, approach works, guard piers and appurtenant works leading from the canal to lake St. Louis, and shall provide such sites for aids to navigation and public wharves as may be determined by the government to be necessary;

That the company shall provide, free of cost to the government, electric power for the operation of locks and bridges and for lighting along the canal up to 3,500 horsepower per annum maximum demand, and in case additional power be required the company shall supply it at a rate not exceeding that paid by the customer having the lowest contract price with the company;

That the company shall not commence construction work until detailed plans have been approved, and the company shall whenever required provide any additions to, alterations in or removal of the works to preserve and maintain navigation on the river St. Lawrence;

That the works shall be constructed by the company to the satisfaction of the engineer or engineers authorized for such purpose by the minister, and the decision of the engineer or engineers shall be final and conclusive upon all questions which may arise in connection with the construction of the works;

That the works approved or made shall at no time raise the natural level of the water in the river St. Lawrence above the international boundary, or in any way contravene the terms of the Boundary Waters Treaty of 1909 or the treaty of Washington of 1871;

That the company shall save the Dominion government harmless should the construction of the work affect rights heretofore existing, and shall be responsible for and must compensate for any damage caused by the works to other companies or interests owning or operating water-powers on the St. Lawrence river, and shall settle all claims of riparians and other persons who may sustain any loss or damage in connection with the construction of the company's works;

That His Majesty shall at any time be entitled to acquire and take over the canals, works, buildings, erections or other property of the company constructed under or pursuant to or in lieu of the works shown in the plans approved by the order in council, and the lands upon which they are made or constructed, or such part thereof as in the opinion of the governor in council may be necessary, paying therefor such compensation as may be agreed upon between the parties or as may be fixed by the Exchequer Court of Canada in case of failure to agree; but in fixing such compensation consideration shall not be given to rights or privileges acquired by the company under or by virtue of the order in council granting approval;

That the company shall submit to all regulations imposed in the interest of navigation, and that the works approved or any modifications therein hereafter approved shall be operated in conformity with the requirements of navigation on the St. Lawrence river, and the water to be used shall not at any time exceed the maximum quantity of 40,000 cubic feet per second;

That in any question arising upon the application the settlement thereof shall be governed by the full recognition of the dominant interest of navigation and the necessity of reserving therefor all or any requisite parts of the natural flow of the St. Lawrence river.

From the foregoing it will be apparent that in granting its approval under the Navigable Waters Protection Act, of the plans and site of the Beauharnois Light, Heat and Power Company, the department has fully and adequately protected the public interest both with respect to conditions as at present existing and as regards all possible future development of a greater St. Lawrence shipway.

In order that hon. members may have full information at the earliest possible moment I desire to lay on the table the order in council passed to-day.

Mr. GUTHRIE: Will my hon. friend lay on the table the complete order in council?

Mr. ELLIOTT: Yes.

Mr. SPEAKER: They are laid on the table as "command papers," as they are termed in England. They will appear in the votes and proceedings.

Mr. E. J. GARLAND (Bow River): Yesterday the Minister of Public Works was good enough to inform me, in answer to my question of the previous day, that I would find in a return of May 30 last the application of the Beauharnois Light, Heat and Power Company. On examining that return I find that while it is true the original application is included in those papers, the modified application is not included. That is naturally so, because it was not modified until, I think, some time in January of this year. In view of the importance of this question I desire to ask the Minister of Public Works whether he will be good enough to table the report and records of the public hearings that took place in January with regard to this matter before three ministers of the crown.

Mr. ELLIOTT: The evidence and the full report referred to by my hon. friend is being included in a return which I hope to be able to table within a day or so.

SEVEN SISTERS FALLS

INQUIRY BY ROYAL COMMISSION

Mr. M. N. CAMPBELL (Mackenzie): I would like to ask the Solicitor General whether the judges of the royal commission of Manitoba require authority from the Department of Justice to go to Los Angeles and, if they do, whether that authority has been granted?

Hon. LUCIEN CANNON (Solicitor General): No request has been sent to the Department of Justice. I might also point out that the administration of justice is in the hands of the provincial government, not the federal government.

THE BUDGET

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

The house resumed from Thursday, March 7, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment thereto of Hon. Hugh Guthrie.

Hon. R. J. MANION (Fort William): Mr. Speaker, before beginning my remarks on the budget I should like to say that a few moments ago we had displayed to us by the government an instance of government by order in council—that form of government which was so much denounced for many years throughout the country by the present Prime Minister (Mr. Mackenzie King)—on a matter which is of the utmost importance to parliament and to the people of Canada, the Beauharnois power project. Yet while parliament is sitting, it has never been given one minute to discuss this question.

While on personal grounds I have, as we all have, a high regard for the Minister of Finance (Mr. Robb), I am sure that he will forgive me if I do not use up much of my forty minutes in paying him empty compliments, for I intend to show so far as I am able, that the budget is largely a chronicle of events in which our fields, forests, fisheries and mines have played the parts of performers while the Minister of Finance has been merely a spectator in the wings or one of the audience, once a year getting an opportunity to come to the front of the stage, point out to the world that his is the directing mind, and then modestly stand back and accept the applause. I do not blame him for this, because it has been the habit of ministers of finance of all parties. Therefore I shall criticize not his action, but his inaction. I shall criticize him not for any positive proposals, but rather for his lack of positive proposals for the betterment of our national welfare.

There are in the budget some matters with which we must all be pleased. For example, the fact that the debt is somewhat less cannot help pleasing us all. One matter which the Minister of Finance did not point out and which is due, not particularly to the present government but to previous governments and this as well, is that four-fifths of the debt is owed to the people of Canada, and therefore four-fifths of the interest goes into the pockets of our people. I congratulate the Minister of Finance on the fact that there are in the budget no tariff changes of any moment; in other words, that tinkering with the tariff which we have condemned for a long time has been done away with for some time at least, and that famous cry of "The death knell of protection" is, to paraphrase an expression of Disraeli's on another occasion, not only dead but damned.

The budget is largely a negative affair. There are in it few positive proposals. A few of the nuisance taxes have been removed and one positive proposal that has received great applause is the reduction in the sales tax from three to two per cent. I am not altogether sure that a one per cent reduction in the sales tax will make any particular difference in the cost of living. When one considers that it means one cent in a purchase of a dollar, or five cents in a purchase amounting to five dollars, I am not certain that you will find goods in the stores or on the marts of the country marked down on this account. If the Minister of Finance had removed the whole tax, that might have had some effect.

I cannot help thinking the minister has left whatever changes he wants to make, for next year when he is trusting he will have an opportunity of making a popular preelection budget. If I am right in that conclusion—and I think I am—the Minister of Finance is worrying not so much about the business of the country as about the business of keeping his party in power.

The government and the minister have had exceedingly good luck because, without any effort on their part, our crops have been abundant, our mines prosperous, our fisheries teeming and our forests generously productive. For example, if we compare 1921 with the year that has just passed, agriculture has increased in production by from $500,000,000 to $600,000,000, and our mines during the same period have increased in production by $100,000,000. Six or seven hundred million dollars for those two items alone make a vast amount of money to assist in increasing the prosperity of the country. Perhaps it is no wonder the government are more or less satiated and treat Providence rather as we sometimes treat our poor relations. I suppose they hope that memories are short in this country and that the people will forget those deplorable years from 1922 to 1925, the first four years of government by the party now in power, when hundreds of thousands of our people were compelled to go across the line for opportunities denied them at home, an exodus which unfortunately is not yet entirely stemmed. Even at that our prosperity has been by no means general. That has been evidenced by speeches made in the house by members of the Labour party and members of the agricultural group in the corner to my left.

Mr. GARLAND (Bow River): And the acting leader of the opposition (Mr. Guthrie).

[Mr. Manion.]

Mr. MANION: I quote my hon. friends to my left because we may be said to be talking politics, which, of course, my hon. friends over there never do.

Conditions are not a criterion of the status of a government. What a government has done to bring about the conditions is the real test to which this or any other government must submit. I submit that this government has been doing nothing to bring about the conditions which prevail in this country. It has been merely basking in the sunshine of a prosperity which it has done nothing to create. It has been practising a policy of masterly inactivity, a policy of drift. It has been virtually in a twilight sleep on all questions which are of vital concern to the people of this country: such questions as immigration, iron ore development, conditions among the fruit growers and dairy farmers, the shipping interests, industry in general, and economy perhaps in particular. All of these are questions upon which a strong policy is of vital importance to the people of Canada. Let me deal briefly, as I must in the short time at my disposal, with these questions.

So far as immigration is concerned, we all know that the government has had no policy on immigration worthy of the name. This is evidenced perhaps best by the fact that just recently W. T. R. Preston, a past organizer of the Liberal party, wrote a letter to the Winnipeg papers, and perhaps to other papers too, but I saw it in the Winnipeg papers, roundly condemning this government for its inactivity on immigration.

So far as the fruit and dairy industries are concerned, protests have been rained, not only on the press of this country, but upon the government, pointing out the great injury that is being done to the fruit and dairy industries by cheap outside competition.

So far as the iron and steel industries are concerned, the government has done nothing. We have hundreds, yes, thousands of millions of tons of iron ore scattered throughout this country from the Atlantic to the Pacific, and yet last year not one ton of Canadian iron ore was used in our steel plants or blast furnaces, and we imported nearly 2,500,000 tons of foreign ore to use in our steel plants and blast furnaces. Our Conservative provincial government in Ontario made a proposition to this government two or three years ago, that they put on a bounty to aid in the development of the Canadian iron ore resources, but unfortunately this government has refused to cooperate with them and

remains in its twilight sleep so far as the development of iron ore is concerned, just as it has done in other matters.

In addition, we imported during the year ending January 31, last, $330,000,000 worth of iron and steel products, practically all of which could have been manufactured in the steel plants and blast furnaces of this country had they been given the opportunity to produce them by a proper tariff policy. The Minister of Finance (Mr. Robb) in his speech the other day spoke of the basic industries. I submit that outside of agriculture no industry in any country is more a basic industry than the iron and steel industry, and yet this government does nothing to help that industry in any way.

Let me give a few iron and steel products that we could produce in Canada, and of which we imported last year, largely from the United States, $330,000,000 worth.

Pig iron	$ 3,000,000
Rolling mill products	57,000,000
Tubes, pipes, fittings	4,500,000
Wire	3,746,000
Engines and boilers	18,500,000
Farm implements	40,600,000
Hardware and cutlery	4,700,000
Machinery	58,000,000
Tools	3,000,000
Vehicles (largely automobiles)	95,600,000

One might almost come to the conclusion, in view of these facts, that this government takes more interest in the producers in foreign countries than in our own producers.

In regard to our Canadian marine interests, they insist that the ships of the United States are treated much more generously in Canadian trade than are Canadian ships in American trade, more particularly last fall, as was pointed out last night in an excellent speech by my hon. friend from Kingston City (Mr. Ross). The shipyards of this country also point out that if a Canadian ship should get repairs made in a shipyard in the United States, our government gives it a much freer entry back to Canada than does the United States government give an American ship that is undergoing repairs in a Canadian shipyard when it goes back to the United States, and our shipyards are at a disadvantage in that respect.

Regarding economy, the estimates of 1925, the year which the Minister of Finance always brings into his budget discussions, showed that we had a total expenditure that year of $339,000,000. The estimates brought down this year total $391,000,000, an increase of $52,000,000, in spite of a decrease in interest amounting to $3,500,000; and we must remember that the supplementary estimates are still to be brought down, and will probably add another $15,000,000 or $20,000,000 to the expenditure. So that our total expenditure for the coming year will show an increase over last year, not over 1925, of about $25,000,000 or $30,000,000, and yet this government, with my right hon. friend at the head of it, say that they cannot help technical education, which is an absolute need in this country, because the Prime Minister says that it is a luxury.

Mr. MACKENZIE KING: Oh, no. I always said that it was a necessity.

Mr. MANION: I am afraid I shall have to correct my right hon. friend. The other day he said it was a luxury. Does he deny that?

Mr. MACKENZIE KING: It is a necessity which the provinces ought to attend to.

Mr. MANION: I was afraid my right hon. friend had almost forgotten having said it, and so I looked it up. The Minister of Labour (Mr. Heenan) was introducing an amendment to the Technical Education Act, and I said:

> Mr. Manion: Is this one of the "unnecessary extravagances" to which the Minister of Finance referred a few minutes ago?
>
> Mr. Heenan: You will have to ask the Minister of Finance.
>
> Mr. Mackenzie King: It is a luxury, not an extravagance.

I submit that it is not a luxury; it is not an extravagance; it is a necessity in this country.

My hon. friend and acting leader (Mr. Guthrie) yesterday, in a magnificent speech, a speech which was a more complete and convincing indictment of this government than I have heard of any government in twelve years in this house, dealt with the question of economy very fully, but I wish to deal with it from another angle.

The Minister of Finance pointed out that of the expenditures which the government made for the year ending March 31, 1929, 42 per cent were war expenditures, amounting to $162,000,000, to use the minister's own figure, and the balance general expenditures, amounting to $223,000,000. I looked up the figures in the public accounts, and I find that $223,000,000 is just exactly $101,000,000 more than the general expenditures of this country amounted to during the last year of Sir Wilfrid Laurier's regime in 1911, and $40,000,000 more than our expenditures in the last year before the war, and almost five times as much as the expenditures of this country in 1900. And for the coming year the estimates will be very much increased.

As my hon. friend from South Wellington (Mr. Guthrie) pointed out yesterday, the Minister of Finance is right in saying that he has lowered in some cases the rate of taxation, but, nevertheless, he has increased the amount, the burden, of taxation. As far as one can see, economy is not a popular cry with this government. I believe they have come to the conclusion that economy is not popular politics, but it might be well in these times of abounding prosperity so far as our natural products are concerned, for the government to remember the example of Joseph, and lay aside something for the lean years that are bound to come after the present years of plenty.

Mr. YOUNG (Saskatoon): Are you expecting to get into power?

Mr. MANION: I expect we will be coming into power as soon as the people get a fair chance at this government, in view of the many things that are happening under this government of which the people disapprove.

Mr. YOUNG (Saskatoon): Those were the lean years you were thinking of.

Mr. MANION: My hon. friend is very boastful of the prosperous years we have enjoyed, due to nature's bounty; but we cannot count on good fortune always smiling on Canada, and if this government stays in power much longer there will probably be lean years.

Since conditions are fairly good in the country, how much better would they be if the government adopted a really Canada first policy. I am not referring merely to the old national policy, although I believe that it would have been a great benefit to this country. But I do suggest a strong, firm, courageous Canadian policy to safeguard our farmers particularly about the industrial centres of Ontario and Quebec, to help our fruit and dairy farmers, to aid our manufacturers and to utilize to the fullest extent our natural resources, which we have in such plentiful measure, but which under the policy of this government are not being utilized to the full advantage of Canada. The Prime Minister's attitude on matters such as this was well illustrated in a difference of opinion between him and the leader of the opposition in the debate on the address in regard to butter and farm implements. The Prime Minister pointed out, quite truthfully, that the manufacture of farm implements in Canada amounted last year to $42,000,000, but he forgot to point out that our importations of farm implements for the same period amounted to $40,000,000. I submit, that if those farm implements had been manufactured in the factories of Canada—and as they could have been without enhancing the price to our farmers, as pointed out by the hon. member for South Wellington (Mr. Guthrie) yesterday—it could have kept busy many idle plants in my own constituency and elsewhere throughout the country and provided work and wages for our working men. So far as butter is concerned, the Prime Minister said that the importation of sixteen million pounds was not particularly harmful because the milk from our Canadian dairies was simply used in some other form. That may not matter to the milk, but it does matter to the dairy interests of Canada, and to our decreasing dairy herds.

Any reasonable man who considers the conditions of England and France must be struck by the contrast. In England they have a million and a half workmen unemployed, while in France they boast that there is no unemployment. In England they have free trade, or near free trade, while in France they have a strong, national protective policy. Any man who gives serious thought to the striking contrast in these respects must come to the conclusion that the reason is to be found in the tariff policies of the two countries. The only industries in England that are doing well to-day are those that are being protected under the Safeguarding of Industries Act; whereas the whole national life of France is progressive and prosperous. And so far as the United States is concerned we know that they have built up their immense wealth under the protective policy that they have had in force during the past seventy-five years.

The Minister of Finance dealt with our imports and exports, and pointed out that there has been a great increase in our trade. He is right. For the past twelve months we have had an increase in our trade of about $266,000,000; but unfortunately more than half of that amount, or $136,000,000 was with the United States, and was made up of an increase in imports to the tune of $118,000,000, as against an increase in our exports to the United States of only $18,000,000. And yet at the present time we buy from the United States $825,000,000 worth of goods; we sell to them only $492,000,000 worth. There is no other foreign country that treats us in the same manner as does the United States. All the other foreign countries taken together buy from us two and a half times as much as they sell to us; the United States alone sells to us practically twice as much as they buy from us.

Let me give the figures of the increase of our trade with the United Kingdom. Of

course, I am not speaking of the United Kingdom as a foreign country, but as an outside country. Our trade with the United Kingdom last year increased to the extent of $45,000,000; our imports increased by only $8,000,000, but our exports by $37,000,000. Our total exports to the United States amounted to $492,000,000, to the United Kingdom $446,000,000—practically the same amount, and to the whole empire, including the United Kingdom $545,000,000—a larger export trade than with the United States. But our total imports from the United States were $825,000,000, whereas from the United Kingdom they were only $190,000,000—less than one-quarter the value of the goods we imported from the United States—and from the whole empire only $254,000,000, less than one-third of the value of our imports from the United States. Other foreign countries, I repeat, treat us with much more consideration than do the United States. They buy from us two and a half times what we buy from them. I jotted down a few figures in this connection. For example, the Argentine buys from us nearly twice as much as we buy from them; Belgium two and a half times as much; Brazil over three times as much; Chile nearly seven times as much; China over six times as much; Denmark twenty-five times as much; Germany two and a half times as much; Japan three and a half times as much; the Netherlands over five times as much; Portugal eight times as much. But the United States buys from us only one-half of the amount she sells to us.

It seems to me, Mr. Speaker, that it is time to give serious thought to this problem, and I regret that I have not the opportunity to go into it extensively on this occasion. Unfortunately our imports of $825,000,000 from the United States are composed largely of manufactured goods. For instance, $451,000,000 represents manufactured cottons, metals, books, chemical products, clay products, jute fabrics, preserved fruits, glass, leather, bacon and ham, musical instruments, canned vegetables and furniture, all of which we could have produced in Canada under a proper policy. These are only the large items and do not by any means exhaust the list of manufactured products that we import. In addition to the $451,000,000 worth of manufactured goods we imported $60,000,000 worth of "other commodities," and I venture to say that $59,000,000 of that $60,000,000 represents manufactured goods. So without doubt we import from the United States in manufactured goods two-thirds if not three-quarters of our total imports of $825,000,000, and they buy from us only $492,000,000 worth of goods. We are increasing factory employment over there, and decreasing it in this country. We are increasing work and wages in the United States, and decreasing work and wages in Canada. Many of our boys and girls who have been forced to go over there are earning and spending wages in the production of those goods in the United States that we ought to be manufacturing in Canada.

Last year we bought from the United States one hundred dollars per capita while they bought from us only four dollars per capita, and yet President Hoover succeeded to office on a policy of putting up greater tariff restrictions against the imports of the United States from Canada. Instead of making any such move, I submit that the United States should be searching for methods to increase their purchases from us. All they take from us willingly is our raw materials, which they cannot get along without, and the most precious possession we have, our boys and girls.

It is true that the United States investments in Canada amount to three billion dollars as against those of the United Kingdom of two billion dollars. But the United States are to a large extent getting possession of our natural resources, and I am not sure that that is altogether to our advantage in the long run.

There is nobody in this house more friendly disposed towards the United States than I am, but I am a Canadian first, and I say it is time for us to assert unequivocally our position in regard to our dealings with the United States, just as they assert unequivocally their position from day to day towards us. After all, we are not mendicants, we are not even in the helpless position in which we were when the Reciprocity treaty of 1854 was abrogated by the United States. We are a strong, virile people. We have attained to business maturity, and to-day Canada stands in total trade fifth among the trading nations of the world. We are surpassed only by the United Kingdom, the United States, Germany and France; we are ahead of such countries as Italy, the Netherlands, Japan, British India and the Argentine. As showing our importance to the United States, we are their very best customer, and undoubtedly they need our raw materials just as much as we need the raw materials we buy from them, and very much more than we need their manufactured goods. But, I repeat, President Hoover has recently announced a policy of increasing the United States tariff against our farmers beyond the rates of duty provided for by the Fordney and other tariffs since

1921, under which they charge a duty of 42 cents a bushel on our wheat, 2 cents a pound on our cattle, 8 cents a dozen on our eggs, $4 a ton on our hay, and 12 cents a pound on our butter. From 1921, due to these duties, there has been a steady decline in agricultural exports to the United States, the difference between that year and the present amounting to $22,000,000. I admit that a large proportion of that was wheat, but these tariffs have had a depressing effect on our whole agricultural production in Canada. The United States have been virtually waging against us a tariff war—if the Prime Minister (Mr. Mackenzie King) will permit me to use the word war in relation to that country. Over there they have a policy whereby they can, by proclamation, raise their tariff against us over night. And in fact they do. I have not time to cite many instances in support of this statement, but it is a fact that cannot be denied that on a number of occasions, by proclamation, upon the recommendation of their tariff commission, they have suddenly advanced their tariff against this country.

Last year in my speech on the budget I gave an example of a ladies' wear manufacturer in Toronto who was selling some of his products in the Detroit market, and merely because he was competing—and competing only on a very small scale—with the Detroit producers they over night doubled their tariff against his exports to that country, with the result that his goods were excluded and he had to have them returned to his place of business in Toronto.

Now I have no quarrel with the United States on this account; they are attending to their business, as they have a right to do. But, I contend, it is time that we did the same; it is time that we also attended to our business. Let us discontinue our subservient attitude to the United States. Let us speak to them courteously but firmly. Let us speak plainly, pointing out what we believe to be good, hardheaded, business principles, because these are the only principles they understand. In reply to that, I am sure that we shall get their respect and a good deal more custom from them than we are receiving at the present time. Let us stand by our own interests and let them do likewise; let us have a policy for our own advantage. I am speaking in no unfriendly tone to the United States; I am taking no antagonistic attitude to them; but it is time for this government to be firm and frank with the United States in an endeavour to show them the error of their ways in their business relations with their best customer; for Canada is not only their best customer but she is the country in the British Empire which understands them better and is understood better by them than any other part of the British commonwealth of nations.

I am particularly emphatic at the moment because last evening we saw in the public press a despatch which I shall read. It is dated Washington, D.C., March 7, and is as follows:

> An extra session of the seventy-first congress for April 15 was called to-day by President Hoover.
>
> Specifically, the call proposes legislation for agricultural relief and for "limited changes in the tariff".
>
> The proclamation says that these matters cannot in justice to farmers, labourers, and manufacturers be postponed.

Very well. But, Mr. Speaker, I submit that we owe some justice to our own farmers, labourers and manufacturers. Regarding that announcement which I have just quoted, I wish to make a proposition which I believe would be supported by public opinion from one end of Canada to the other—and I submit this to the Prime Minister in all seriousness. My proposition is this: If at that special session called by President Hoover any more restrictions are placed upon our sales to the United States, this house, if it has not prorogued, should have tariff proposals laid before it by the government to lessen our purchases of all kinds from the United States; or, if we have prorogued, then we in turn should call a special short session to deal in a red-blooded Canadian manner with their tariff attitude towards us. The Prime Minister laughs.

Mr. MACKENZIE KING: I am not laughing. I was struck with the words red-blooded.

Mr. MANION: I do not know why the Prime Minister should smile; is it not a good expression?

Mr. MACKENZIE KING: It is a good expression, yes, but it is not one that I should have used in the circumstances.

Mr. MANION: I think we have been taking too white-blooded an attitude towards the United States all the time, and I submit that it is time for us to stand up and take a good red-blooded Canadian attitude. I say further that a speech along the lines I have just suggested ought to have come ere this from the government benches. I am reading this because I do not wish to be misquoted. I respectfully suggest, therefore, that the Prime Minister during this debate should stand in his place in this house and speak

as plainly on behalf of the people of Canada to the American people as Mr. Hoover speaks on behalf of the United States to us.

Mr. MACKENZIE KING: Does my hon. friend think that a speech on my part along the lines he suggests would help relations at the present time?

Mr. MANION: I think it would materially help them. Did President Hoover hesitate to make a speech along these lines the other day, especially when he proposes to call a special tariff session? I am sincere when I say that in my opinion such a speech as I suggest would have an absolutely good effect on the whole of our business relations with the United States.

Mr. CLARK: Why should we pussyfoot?

Mr. MANION: The question is in the language of the street, but at the same time it is absolutely pertinent and for my part I repeat it: Why should we pussyfoot? What we need in this country is a stronger Canadian policy than this government shows. To my mind the government's weakness is this, that it is dealing too much with international affairs and too little with internal affairs. It is time for the government to take less interest in Canadian status and more interest in the state of Canada. Let us have, Mr. Speaker, a Canada first policy; for upon the success of our whole economic life depends the retention within our country of our own boys and girls.

I do not think there need be any apologies for speaking as I am speaking towards the United States. If they do not accept this attitude as just, if they show resentment and a tendency towards further antagonism to this country, then in my opinion we must look elsewhere for the trade which we should get from the United States; we must look, within the empire, to those countries which have shown themselves friendly to us; we must look to other foreign countries which purchase two and a half times as much from us as the United States does. We must look to the countries across the Pacific which purchased from us last year, for example, sixty million dollars worth of produce. And even if we should lose some trade by adopting an attitude such as I here advocate, I submit that it would make for gain to this country in that we should acquire not only a greater Canadian self-reliance but a greater empire self-reliance than we display at the present time and would result in our using our own coal and iron rather than American, and manufacturing to completion our own products—in nickel and asbestos for instance—producing these things finished in our own factories instead of importing them from the United States.

But, Mr. Speaker, under any circumstances, in the interest of the national welfare of Canada, this government should awaken to its opportunities to develop Canadian economic life by means of a virile, courageous Canada first policy—a policy which would retain our urban markets for Canadian farmers; which would develop our own resources instead of having them shipped to the United States to be manufactured into finished products; which would keep our own factories engaged rather than the factories of the United States; which would utilize our own Canadian iron ore and coal, instead of importing these commodities; which would encourage the fruit and dairy industries of Canada instead of destroying them; which would foster Canadian shipbuilding and shipping in preference to foreign enterprise in this direction; and, finally, which would build up a truly great nation north of the international boundary instead of south of it, giving an opportunity to us to leave to our children a prosperous, progressive country in all lines of endeavour, where they and their children might remain to enjoy a free and law-abiding democracy.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I have a very pleasant task to perform this afternoon, in extending congratulations to my colleague the Minister of Finance (Mr. Robb) as well as to the acting leader of the opposition (Mr. Guthrie); because it is not very often that I have an opportunity to extend congratulations over the way, and I am going to take advantage of that opportunity now that I have it.

Any Minister of Finance who can keep on year after year reducing taxes and increasing surpluses, throwing away, as hon. gentlemen suggest, large amounts of revenue—estimated in the present budget, we are told, at $25,000,000—and at the same time reducing the national debt of the country—any Minister of Finance who can do this is, I say, one that should be retained in the service of the country just so long as he is prepared to stay.

My hon. friend the acting leader of the opposition opened his remarks by expressing gratitude for the unbounded prosperity we are enjoying at the present time. I am glad he has improved on the terms used by his own leader when present, who always qualifies such a statement by observing that we have been enjoying in the last few years a temporary prosperity due to good crops and mining activities, burrowing into the earth

and turning out riches, and due to the depletion of our forests, and so forth. That is the story, always with some mournful dirge associated with it. My hon. friend began in a different tone, but before he got very far in his speech he also commenced to sing the same doleful dirge. He qualified his remarks about the unbounded prosperity which prevails, but what is the meaning of that word "unbounded"? It means without bounds, without reservations, without measurements, if you like, but he began to make a series of measurements, describing the country as being in a vortex of extravagance, with the farmers in need of relief as they are in the United States, and wound up his remarks by proposing that we give them this relief. If I understand the situation, all the yard-sticks by which the prosperity of a country is measured go to show that we have this prosperity in Canada, not only in the cities but throughout the country generally. It is true that prosperity never touches the pockets of every man; always there will be some people who have had misfortune, as there will be some parts of the country which will not have good crops, and with the exception of those who follow the sea there is no other occupation which I know of which has to contend with the vicissitudes of the climate like agriculture. So long as that is the case some portions of Canada always will be less prosperous than other portions, but speaking generally and judging from the bank clearings, the carloadings, the building permits and the railway returns, always a big factor, or by anything you like, we can reasonably come to the conclusion that we are enjoying an amazing period of prosperity considering the situation which existed when this government came into power. In 1922 everything was depressed; our railways were in a crippled condition where now they are strong and healthy, and we have the same story in connection with other matters.

Now I would like to deal with some of the remarks of my hon. friend the acting leader of the opposition. He stated that prosperity is to be found only in the cities, but was he not putting the cart before the horse? Does not the prosperity of the cities depend upon the buying power of the surrounding communities? While I feel like complimenting him upon the style of his address I am afraid I cannot compliment him upon much of the contents. It was a strong, vigorous presentation of a bad cause; I might also compliment those who surround him upon the way in which they upheld their leader, but when my hon. friend admitted the prosperity in the urban communities he inferentially admitted that the buying power of the country communities surrounding the cities must have been increased.

Then he described in very strong words the extravagances of this government. Surely if that were the case someone would have heard of it before. I have heard governments called tightwads because they did nothing in the way of developing the country, constructing new buildings and so on, but I have never heard them called extravagant either throughout the country or in the press except by hide-bound Tory papers which I do not believe would be pleased by any budget brought down by this party. However, the rank and file of the people are well satisfied with the budget; they do not object to any expenditure on railways and so on, nor do they object to the beautification of our capital city. My hon. friend referred to some of the extravagances in this city; how many people outside of politics really begrudge the money spent to beautify our one and only capital city? Furthermore, where could we start to beautify it except where we have already started? Some day these other buildings will be quite old, and then that park can be extended right along Wellington street. Canada is only starting its second sixty-year period; a hundred years ago this city hardly existed and consequently we are still in swaddling clothes to-day. We must look to the Ottawa of the to-morrow in connection with these matters.

Then my hon. friend referred to the Canadian building in London. Where would he have our staff housed? Should they be put on the street or should they be cared for in a proper building? If we are to take our part in the affairs of the world we must be prepared to provide proper accommodation for those who represent us and we must be as good as the other fellow. We have passed through our shack days, our colonial days, but our friends opposite want to linger a while; they do not want us to take a position commensurate with our progress up to the present. Then my hon. friend referred to our embassy at Washington. If there is anything for which the Prime Minister of this country is to be commended I think it is his policy in connection with these embassies. I heard that policy enunciated at a meeting in Toronto, that hod-bed of Toryism, and it met with the complete approbation of a large audience at Hart house in addition to being radioed all over the country. Yet my hon. friend, with all his ability, his enterprise and his high faculty of presentation, is still antediluvian in this respect; he wants us to

go out and play hobo among the nations of the world, just to make a little party advantage, in order to play to the galleries and leave the impression that we are doing something extravagant when he knows very well we are doing the proper thing at the proper time. The same thing applies to Tokyo, and beyond that I will not follow my hon. friend.

Now I come to the Australian treaty, which is an old favourite, and before I forget it I remember that my hon. friend who has just taken his seat spoke of the possibility of extending our trade with other nations and other parts of the empire, yet one of the strongest arguments advanced yesterday was against the extension of our trade with Australia and New Zealand. So they sing different songs, but they are all directed against the government. My hon. friend the acting leader of the opposition dealt with the Australian treaty, but forgot to take up one particular section of it; I do not believe he meant to misrepresent the treaty, but simply forgot about this section. I refer to section 4, which is as follows:

That subject to the provisions of the customs tariff, 1907, the governor in council may, by order in council, extend the said advantages to goods the produce or manufacture of any British country.

That is as sweeping as the hon. member for Fort William seems to wish. That is contained in the act itself, and I am afraid my hon. friend overlooked it when he was making his point.

Now may I refer to our importations. The reason we have importation of anything is because we want it and are prepared to pay for it. During the administration of all governments since 1896 we have had a certain amount of antipodean butter come to Canada when we were short. In 1896 the amount was very small, only about 7,000 pounds; ten years later it had increased to about 16,000 pounds and by 1907 the importation had grown to about 205,000 pounds. Then, when the Liberals went out of office in 1911, the importation of this butter had increased to a little less than 1,000,000 pounds, from the two antipodean countries. In 1912, the first year after the advent of the Tory administration, this importation had increased from less than a million pounds to about 2,241,000 pounds, but no one on this side of the house took a cat-fit over that increase, because we were getting good New Zealand butter when we required it. Now let us see how it grew under the administration of our good friends opposite, who abhor this importation so much. I have given the importation which occurred during their first year in office; that had nothing to do with their coming into power, but there was no great hullabaloo about this importation such as we hear now. In 1913 it grew to about 6,000,000 pounds and yet nothing was said except by a gratified country over the fact that they were getting good butter for their tables instead of the vile stuff which was introduced later on in the form of intestinal fats called oleomargarine. Then in 1914 the importation reached almost 7,000,000 pounds; horror of horrors, what was to happen next? Yet there was not a squeal from the Tories. From that time on it began to grow less; in 1915 it was about 5,000,000 pounds; it grew smaller and smaller until 1924, when it was about 1,296,000 pounds and then, co-incident with the introduction of the Australian treaty, if you like, but also co-incident with many other things, the importations from New Zealand grew larger.

The claim has been made that every time you have a large crop in the west the butter production goes down. That is not the case; butter production goes down in the periods of big crops if it is not a profitable undertaking. The largest inflation in butter production in the west occurred in 1923 and again this year. So far this year's production will be double what it was at the same time last year, showing that the production of butter is due to the change in conditions out there, such as better winter weather, better fodder, improved cattle and more efficient administration of creameries. The point has been raised that we are getting New Zealand butter. When our Conservative friends were in power, and coincident with the time, my hon. friend went into the government of that day, during the last year of that administration, in 1920, we imported very little New Zealand butter, but 8,450,000 pounds of oleomargarine were manufactured in this country and 6,497,000 pounds were imported. Our friends are hollering about importing New Zealand butter, but they evidently preferred to feed the people of Canada oleomargarine rather than good New Zealand butter. Personally, I prefer butter rather than the mixture of intestinal fats and southern oils which were brought in from the southern states of the United States. The oleomargarine consumed in Canada during 1920, the last year of my hon. friends' administration, amounted to almost as much as the total importations of butter from New Zealand last year. That product did not possess the nutrition and vitamines, or the calories if you like, of the good butter which is given to our people today. My hon. friends' administration did not feed the people of Canada on good New Zea-

land butter during that time of shortage. You have to consider the whole policy contained in a treaty rather than take one isolated item. When you make a treaty with a country you cannot expect to get it for nothing. You give them what they want, as nearly as possible, and in exchange they give you certain things. You have to give and take; you have to barter in negotiating treaties of this kind. Great umbrage was raised over giving them preference on their raisins, but if my hon. friends think they are going to extend the trade of Canada by a one-sided basis of dealing, they are not going to get anywhere.

Mr. McGIBBON: What did we get from New Zealand?

Mr. MOTHERWELL: We gave them the preferred nations clause. It was contained in the treaty and if my hon. friends did not criticize it at the time the treaty was approved then they were negligent.

I think my hon. friend (Mr. Guthrie) made something of a faux pas with regard to his reference to the grain trade. He stated two gentlemen came down from the west and poured out their lamentations about what was happening with regard to the grain trade due to mixing and all the problems incidental thereto. The whole thing began in 1912, the first session of the government of the party my hon. friend now belongs to—he was sitting on the Liberal side of the house in 1912—when an amendment to the Canada Grain Act was brought down, and under the guise of granting sample markets, this system of mixing has been going on for years. When this government attempted to correct it in 1925, or surround that vicious practice with safeguards which would eventually eliminate it, the act was changed by friends of my hon. friends opposite in the upper chamber of this parliament, to the detriment of Canadian grain. That is the story with regard to that. It was the same during the last decade of the last century, from 1890 to 1900, when the Conservative party were in power. No measures of protection were attempted until after the Liberal government came into power, and then the Manitoba Grain Act was put into effect in 1900. The only remedial legislation along these lines has been enacted at the instance of the Liberal party.

I rather compliment my hon. friend on the illustration he drew in comparing the alacrity of Saul of Tarsus on his way to Damascus to that with which he imagined we would be acting in the course of a year or two with regard to tariff matters. He put it rather well and rather pleasantly and complacently, and took all the fun he could out of it, which fun I would not deny to him at all. But the alacrity of Saul of Tarsus was nothing compared to that of Guthrie of Wellington when he was on his way to the treasury benches in 1917. Talk about conversions, there has been nothing like it in the history of this country.

Mr. GUTHRIE: I came in pretty good company and on a pretty good cause.

Mr. MOTHERWELL: Saul's cause was good, there is no question about that.

Mr. GUTHRIE: And so was mine.

Mr. MOTHERWELL: Saul's conversion has profoundly affected the world ever since, but I do not think it was a Damascus call that my hon. friend responded to.

Mr. GUTHRIE: Or Mr. Fielding or Mr. Graham?

Mr. MOTHERWELL: I am talking about my hon. friend.

Mr. GUTHRIE: They came too.

Mr. MOTHERWELL: If my hon. friend wants to be classified with Mr. Fielding, why did he not do as Mr. Fielding did? I want to remove any concern my hon. friend may have about our possible conversion. We do not need any conversion on this question. We have a leader who faced a crisis in 1926, and the country singled him out as a man who was capable of leading this country and this party through any crisis.

Mr. ERNST: Was that 1926 or 1914?

Mr. MOTHERWELL: I will repeat it, now that my hon. friend has been so clever. I said in 1926. The hon. acting leader of the opposition did not mention it, but I will; the whole policy of British preference is within the four walls of the policy inaugurated by the Liberal party. We can meet almost any emergency or any crisis which may arise through any possible change.

There is another matter I must point out to him. In his desire to assist agriculture he has a habit of making gestures towards that corner of the house where agriculture is supposed to be; he sort of coquets with them. Why did he not do something for them when budgets began to come down after this government came into power? In the first one in 1922, there was not a big change, but surely the smaller it was the better it would please my hon. friend. In 1923 we made a further advance in lessening the cost of the

implements of production. In 1924 we made a decided advance in that regard, but did we get any support from my hon. friends? Not at all; they roared all the louder the more we did for agriculture.

I should like to draw attention to the specific advance in policy which this government made when we extended the reduction downwards, not only to the implements of the farm, but to implements used in developing all the natural resources of Canada. That was a distinct advance in policy and it had a distinct effect upon the development of those resources, because everybody engaged in developing them were able to go forth every morning with good, efficient tools at the least possible cost. That was a policy which brought results and had something to do with the development and prosperity that exist to-day. Why did my hon. friend not join with us in that? If he still had, shall I say, the red blood of Liberalism in his veins, he should have been able to support that; but apparently the longer he lives the more he gets into the stride of protection. At the Winnipeg Conservative convention, they were all so modest on the tariff question that neither prunes nor protection was mentioned lest the low tariff views of the western delegates would be offended. But they were back in Ottawa not five minutes until they began talking in terms of the national policy, and everything that was suggestive of protection. Then later, when the leader of the Conservative party, Mr. Bennett, was meandering around the maritime provinces and Quebec, he spoke of safeguarding industry, that old country phrase. Now my hon. friend comes out boldly—and let me give him credit for doing so—and says "protection". My hon. friend intends to talk about protection again and we are glad to know where he stands. Since a year ago last October my hon. friends have just been mincing around. In their hearts they have never changed; they have only changed their style, trying to be one thing while they are really another.

Now my hon. friend, at the end of his speech, brings in an amendment on the assumption that our farmers are in the same state as the United States farmers. That is a libel on our country. It is not so. The gross agricultural production of Canada this last year approached the $2,000,000,000 mark, the highest in our history. Our mines have produced abundantly and so have our forests. Every natural resource is buoyant and strong, and yet my hon. friend would like to leave the impression that conditions are bad and that he must come to the rescue. The people outside do not hold that impression. The hon. gentleman is just playing a part and he played it well yesterday, but he must not think it will fool anybody very much.

From the statement of the hon. member for Fort William (Mr. Manion) this afternoon, one would think we were sitting idly here wearing out our chairs and clothes, doing nothing. If you can find members of a government that have been as busy as we have been during the last six or seven years, I should like him to point them out. Nobody but men of strong physique and good health could have pursued the gait that we have maintained throughout this period, because otherwise they would have fallen by the wayside, as some have. The task is a hard one; we have pursued it diligently to the best of our ability from the time we took office and we are desirous of pursuing it still further and doing our best for the people of Canada.

The house will recall that we established a policy of standardization with regard to fruit products, especially for export. Until we came into power practically nothing was done in that direction except in connection with the grading of wheat. Some additional steps were taken by my predecessor, the Hon. Doctor Tolmie, but they were not put into practice until we came into power. I refer to the grading and standardization of farm products, and the establishment of a quality basis by selling on that basis. I know I have often wearied the house by introducing sometimes six or seven pieces of legislation in the one session. I used to be the object of ridicule by the hon. member who led the opposition during those first few years; I made a favourite target for him. He knew nothing about the matter but he had the skillful use of language which sometimes embarrassed me a good deal. I felt, however, I was right and I have pursued that policy ever since until last year, when public sentiment in the house seemed to justify letting two of those bills, one with respect to vegetables and the other with respect to hay, die on the order paper, I began to wonder whether I was going too rapidly, but I was told by a prominent premier, no other than the premier of this province that Canada was not doing enough in that direction. That is what he informed me at the last provincial conference. When I was told on the one hand I was not going fast enough, and on the other that I was going too fast, I thought it would be a good policy to go to the World Dairy Congress to which I was appointed with some fifteen other delegates, and see how the matter was worked

out elsewhere. I thought that was the right thing to do because, after all, our customer, the man who pays out money for our goods, is the first consideration.

In addition to attending the World Dairy Congress I had an opportunity of looking into the matter of standardization of the dairy products of Canada. During five years our cheese was certified and graded, and during that short time our cheese had so improved in quality that instead of being simply on a parity with that of New Zealand, its chief competitor, it averaged one and a half cents more per pound, and to-day our cheese is worth five cents more per pound than that of New Zealand. I looked into the question of boxes and have taken action to put into effect by regulation the law that we passed last year that all cheese boxes for export must be reinforced by wire. Why? Because we found that from 30 to 40 per cent of the cheese boxes were so dilapidated one would think they had gone through a cyclone before they reached the old country. We found in that regard a most disgraceful state of affairs as compared with that of our antipodean sister.

As regards butter we maintain a very high reputation with our standardized products, and all the people over there wanted was to get more of it. Then we examined Covent Garden in London and we visited the apple market. We found the British Columbia apples were the pick of the market; Ontario apples were well up toward the top, and owing to our maritime friends not taking up the grading system, although I hope they will do so soon, their apples are good but not put up in the same style due to the fact that they have not the supervision of a government inspector.

Just a word more about cheese. Five or six short years ago a cheese certificate was unknown to the trade; they had never heard of it before; in fact they looked a little askance at it as something new. During the first year it was not worth the paper it was written on, but inside of six years Canadian cheese certificates were just as negotiable documents as any other negotiable document; they were taken at par without the cheese being seen, and passed from one to another without question. Six short years have built up the reputation, character and integrity of that certificate until it is a document which customers will accept without ever having seen the cheese. Such is the case with other goods.

I might instance our Canadian bacon. We went to Holland and Sweden and Denmark and Ireland, and let me say that Danish and Irish bacon has the highest reputation in the world. We have been grading live hogs. No country in the world has a policy of grading hogs on foot. They are always graded on the rail, as they are in Denmark, for instance. In examining the live hogs of all our competitors, I find that since we have adopted the system of grading hogs, no country that I visited has a finer type of bacon hog than ours, and that is saying a lot because these other countries were in the hog and bacon business for many years before we even pretended to be a competitor with them in that respect. After visiting all these countries, I do not come back to discourage our farmers or to tell them how far they fall short of measuring up to the standards in other countries, because so far as the quality of our bacon and hogs is concerned, our product is equal to the best, but we are short on quantity. No retail man is going to buy from a country whose bacon is on the market to-day and to-morrow, and not the next day. They have to supply their customers day by day, and they must be assured of a regular and continuous supply. We have only three commodities on that market continuously, wheat, flour, and cheese. I cannot think at the moment of any other commodity of ours which is always at the call of the customer, and it is because we have these three products always at the call of the customer in the European markets that one of them stands at the very top in their estimation, because in addition to quality there is quantity, and quantity is very important. There must be a regular supply, instead of this off-again on-again practice which we have at the present time.

In the few minutes at my disposal I can touch on only one or two of our activities, but the policy we have adopted has been commended by those who are buying our goods, and I am encouraged to go forward in our policy of grading. Just here I want to pay tribute to Dr. Tolmie, who has always been in favour of the grading policy, and I am glad to say that he has candidly said so in this house. I do not know who is going to take his place over there, but I look for some measure of support, if not from my friends immediately opposite, then from the balance of the house in carrying forward this policy of standardization of the remaining articles that are to be dealt with.

A word further as to what I found in the old country in connection with the grain trade. Our worst fears with regard to the slighting of our wheat both in the United Kingdom and Europe were realized. I went

to every important marketing centre in the United Kingdom and on the continent and everywhere the same story was told. I found that what has terrified them more than anything else was the rapidly growing amount of piebald wheat and white wheat that we are sending over. Any cattle man knows that the man who is buying beef abominates a dairy herd steer, and the wheat farmer over there who is looking for a red hard, glutinous wheat hates the sight of a white kernel. I take this opportunity of asking the farmers of the west to cease growing all white wheats. There is nothing that causes our quality to slide so much as the mixing of white wheat with hard red kernels. In Australia they grow exclusively white wheat, and red wheat is abhorred there. The presence of white wheat in our grain indicates two things—a lack of quality, and the presence of the practice of mixing. The next big event on the horizon is the World's Grain Congress in the city of Regina, and we hope that in making up the prize list no recognition will be given in that list to white wheats of any kind, either bread or non-bread, for the sake of restoring our reputation in the growing of hard red wheat.

There is always a fly in the ointment, no matter how good the story may be. I gather that the hon. leader of the opposition (Mr. Bennett), not the acting leader (Mr. Guthrie), does not like the means of locomotion which the Minister of Agriculture took to seek this information. He does not think I should have taken the official car and the minister's chauffeur. He left me in doubt what I should take. Should I have flown or walked, I wonder? What was the joke? Perhaps I am dense, intensely Scotch. I admit my name is Scotch, but that is about all that is Scotch in me, unless through the centuries some Scotch blood might have remained in my veins, so that I am not able to see the joke. Should a minister not inform himself with regard to the markets to which we are exporting our goods? Surely, that is admitted. Well then, will my hon. friend mention a cheaper and a more efficient way than going by motor car, and going with your own official car, rather than leaving it idle in the garage, and going out and hiring another one?

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: All right. Mention a more efficient and cheaper way of getting the information which I got in the United Kingdom and Europe than by motor car. I challenge the hon. member for Vancouver Centre (Mr. Stevens) to mention a better way.

An hon. MEMBER: Walk.

Mr. MOTHERWELL: My secretary sat down and estimated the cost and found that it was $500 or $600 cheaper to go by the method I took than by any other method available. Yes, you can laugh, but mention a cheaper and more efficient way.

Mr. GUTHRIE: It sounds like joy riding.

Mr. MOTHERWELL: Would it have been any less joy riding for me to have flown? It was not a joy ride. It was a necessary trip I took to the World's Dairy Congress, supplemented by a trip all over the United Kingdom to gather information at first hand, information which my hon. friend opposite does not possess even to-day, or he would not have mentioned the grain trade. I challenge anyone to mention any cheaper or more efficient way of getting information than going by motor car. I may be taking more trips in the future, and if my hon. friends have a cheaper and more efficient way, I am prepared to adopt it. But they cannot mention one. They laugh and they jeer, and that is all they do. They tell me that I exercise too much levity. There is levity now among them, with nothing at all behind it. My offer stands good, and I challenge them to mention a better way. When the accounts come down, I am sure they will challenge favourable comparison with some of the expenses of members of the opposition when they were in power, and I got very much greater results.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, rising to speak in this budget debate, I should like first to compliment the Minister of Finance on the dignified and lucid manner in which he presented his budget. It was in marked contrast to the burlesque with which the hon. Minister of Agriculture (Mr. Motherwell) has just favoured the house. The Minister of Agriculture reminds me of the jester that we read about in Scott's novels, who was engaged to amuse the people at different functions. To me, sir, it does appear that when a man reaches the dignified position of a minister of the crown, and discusses any subject on the floor of this house, he should at least bring a little knowledge and ordinary intelligence into the debate and not make it a burlesque. The Minister of Agriculture has criticized the acting leader of the opposition (Mr. Guthrie). I may tell him, sir, that if he wishes his name to shine in Canadian history as brightly as will the record of the acting leader of the opposition, he will have to do a lot of work in a constructive way between now and his dissolution.

In association with others, Mr. Speaker, I wish again to congratulate the Minister of Finance on his lucidity and the dignified manner in which he presented his budget. Also in association with other members of the house I rejoice at what may be called the spotted prosperity of Canada. I describe it as spotted, sir, because before I sit down I intend to demonstrate that a large portion of the country to-day is not enjoying the prosperity pictured by the Minister of Finance. I recognize that not even the incompetence of the Minister of Agriculture can wholly depress a country that grows five hundred million bushels of wheat a year, that has an agricultural production of about one billion dollars, that digs up something like $275,000,000 worth of minerals and has a total trade of over two billion dollars. I repeat, not even the incompetence of the Minister of Agriculture combined with the destructive policies which he and his government have put around the necks of our farmers can keep this country back.

Mr. MOTHERWELL: Mention them.

Mr. McGIBBON: I will as I go along.

Mr. MOTHERWELL: The hon. member cannot.

Mr. McGIBBON: I hope the minister will profit by it too. Only a few places are benefited by this spotted prosperity. It is true we find prosperity in cities like Montreal, Toronto, Hamilton, Windsor, Vancouver, and so on. That prosperity is also to be found in the stock markets of this country. I assert, sir, that the policy of this government has driven capital out of industry and into the stock exchange to such an extent that to-day we are a nation of gamblers; nothing more nor less. Our stenographers, cooks and kitchen maids are better acquainted with the stock lists of the standard exchange than they are with the Bible. This condition of affairs has been brought about by the policy of the government, and I shall refer to it further in the course of my remarks.

At this point I would ask you, Mr. Speaker, why the budget was brought down four days before President Hoover delivered his inaugural address at Washington. The government benches had been strangely silent. I venture to suggest that the purpose of the Minister of Finance was to head off the announcement that President Hoover was going to make to the farmers of the United States, and this government wanted to have the budget down and their proposals made known so there would not be a demand from this country for the protection of our farmers. But why this haste, Mr. Speaker? For some years past the United States have put their tariff almost sky high against the farm products of Canada, yet this government, led in this particular by the Minister of Agriculture, has done absolutely nothing to protect our farmers. More than that, sir, they had good reason to know what the new administration in the United States proposed to do in regard to tariff policy. Last fall while addressing a meeting down in Tennessee Mr. Hoover made these remarks:

> The great expansion of agricultural production in Canada and the southern hemisphere combined with the increasing efficiency and increased production by our own farmers have rendered unstable those branches of our agriculture which are dependent on foreign markets.

The despatch continues:

> His solution of the marketing problem would be the appointment of a farm board clothed with powers and resources to assist the farmer in solving his own problems through co-operatives controlled by the farmer himself "to protect the farmer from depressions and demoralization and periodic surpluses."

That announcement was made six months ago. In his inaugural speech this week President Hoover announced that he intended to implement those promises. He said:

> Action upon some of the proposals upon which the Republican party was returned to power, particularly further agricultural relief and limited changes in the tariff, cannot in justice to our farmers, our labour and our manufacturers be postponed. I shall therefore request a special session of congress for the consideration of these two questions. I shall deal with each of them upon the assembly of the congress.

That promise also has been implemented; a special session of congress has been called for April 15 to formulate measures for protecting the farmers of the American republic. What has the government of Canada done? They have made this country a dumping ground for the world, with the result that to-day we have depression both in the ranks of labour and of agriculture. In spite of what the Minister of Agriculture says, we know that this depression is weighing very heavily upon the people of this country.

But, Mr. Speaker, I want to direct the attention of the house for a moment to one or two passages in the budget speech. First, the Minister of Finance emphasized the fact that this was a low-tariff government. Why, Sir, he could not do anything else, the Minister of the Interior (Mr. Stewart) the Minister of Agriculture and the Minister of Immigration (Mr. Forke) being the main factors in the cabinet. Almost in the same

paragraph the Minister of Finance threw out a threat that if certain countries—meaning no doubt the United States—adjusted their tariffs in a manner unfavourable to Canada he would raise our tariff against them. Those are not his exact words, but they are a fair deduction from what he said. I ask the Minister of Agriculture which of those statements appeal to him. Does he think the government intend to scrap the first, so that they will be no longer a free-trade government; or does he think they intend to carry out the threat and protect the people of this country in a manner that is worthy of any government?

I wonder how President Hoover felt when he heard this terrible threat from the Minister of Finance of this Dominion—the man who had fed starving millions in Europe during the war, the man who had advocated raising the United States tariff almost to the skies, the man who had seen this government deliberately bring down their budget four days before he made his inaugural speech—I wonder what he thought of such an idle threat, a threat which he knew could not be made good this year. Do you suppose, sir, he trembled like Macbeth did before the ghost of Banquo, in dread lest this government might raise the Canadian tariff against the United States? That sort of thing is ridiculous. Had it been written by the Minister of Agriculture it would have been perfectly in keeping with his whole conduct. But coming from the Minister of Finance, a man whom we all respect and who carries the greatest weight of any man on that side of the house with the people of Canada, it is something a little bit difficult to understand.

Now where are we going? I say, Mr. Speaker, that this government has never done anything to protect the farmers of Canada. I am quite willing to concede that the farmers have never received from any government the protection they should be given. But the little they did have has been wiped away since the present government came into power. I wonder if the Minister of Agriculture would like me to read something from the proceedings of the Canadian Council of Dairymen assembled in the King Edward Hotel, Toronto, on November 26, 1928. I wonder if he or the house recalls the fact that a large deputation came here a year ago, from the Atlantic to the Pacific, demanding greater protection for the fruit and vegetable growers, poultry men and the dairymen of Canada. I wonder if he remembers the two occasions on which, according to Mr. Calder in his address, they waited upon the Minister of Agriculture and asked for protection for dairy products and were refused. I wonder if he still thinks there is any doubt as to where the Canadian farmers stand in their attitude to protection. I shall refer to that question a little later, but I want here to discuss for a moment the great prosperity which is spoken of in the budget, but which in the main does not exist in this country. It never has existed since this government came into power and it does not exist to-day. Just the day before yesterday I sat in the committee on industrial relations and we had before us a man from Montreal representing the boot and shoe industry, and in reply to a question from myself he stated that the average wage in that industry was $20 a week. Now I would ask the Minister of Agriculture where the prosperity exists in this country—he at least says that there is prosperity—when men have to work long hours and support a family on $20 a week, while he sports in England with a ten-thousand-dollar automobile—ten thousand dollars of the people's money—having a good time. Where is the prosperity? Does the prosperity exist in the office of the Minister of Agriculture or is it with the working people of the Dominion? I have also in my hand—

Mr. MOTHERWELL: May I ask my hon. friend where he got the price of the car—$10,000?

Mr. CLARK: How much was it?

Mr. McGIBBON: Knowing the minister's expensive tastes I thought that nothing less than a ten-thousand-dollar car would do him. However, if I have over-stated it I shall be glad to be corrected.

Mr. MOTHERWELL: I may say that the first four years I rode in a second-hand Tory unfumigated car.

Mr. McGIBBON: Let me tell the minister that nothing that the Tories ride in ever needs fumigation. It is only Liberal vehicles that need it. I wonder, when the Minister of Agriculture goes back to his riding, what they will say when he tells the poor farmer, who probably has not over two or three hundred dollars left at the end of his year, or tells the workingman, who has to raise a family on $20 a week, about his glorious trip through Great Britain, with his chauffeur and government car, all charged up to the public expense. I wonder what the people will say then as regards prosperity in Canada.

Mr. MOTHERWELL: It depends on what I brought back, what information I got.

Mr. McGIBBON: The minister says it depends on what he brought back. Knowing the minister, I do not think he would bring back anything that was good for the country.

Mr. MOTHERWELL: I have tried to recite a few things.

Mr. McGIBBON: The minister says he has tried; I will go thus far with him—he has tried.

Mr. MOTHERWELL: It is not my fault if my hon. friend does not understand.

Mr. McGIBBON: I recall a little story told by Sir Henry Wilson over in France, criticizing the government of Great Britain for criticizing him. He said, "Of course, there is no time in a man's career when he can speak with such positiveness as when speaking of something he doesn't know anything about".

Some hon. MEMBERS: Hear, hear.

Mr. McGIBBON: I thought you had more respect for your minister. Now, as regards the question of prosperity, I have in my hand a table showing the average earnings of bakers, bricklayers, carpenters, electricians, painters, plumbers, salesmen, street railway men, and other workers, for the cities of Halifax, Hamilton, London, Montreal, Ottawa, Quebec, St. John, Toronto, Windsor, Calgary, Edmonton, Regina, Vancouver, Victoria and Winnipeg. And in all that list there is not a salary of over $1,600 a year. I would direct the attention of the Minister of Labour (Mr. Heenan) to the fact. When the government speaks of the great prosperity in Canada I would point to the unemployment that exists throughout the country, and impress upon hon. gentlemen opposite that the allegation is not in accordance with the facts. There is unemployment in nearly every part of the country except a few cities. Yet this government has the temerity to come to the house, in the face of such unemployment, and speak of great prosperity. I should like them to visit my riding where factory doors are closed. The other day I was speaking with a gentleman who hires labourers and he told me that he did not know where he could get a man a job.

Now to pay some further attention to the Minister of Agriculture. The government is anxious to avoid the subject of the dairy industry, and wishes to disown the treaty in this regard. This has proved an offspring which has been quite detrimental to the country. I would call the attention of the house to the Prime Minister's statement the other night that there was less butter made in Canada because people were using cream for ice cream. I want to tell the Prime Minister and the Minister of Agriculture as well that, according to the statistics of their own government, less butter fat was produced last year than the year before, and that is the basis of the whole thing. When the Minister of Agriculture tries to ridicule the remarks of the acting leader of the opposition in regard to butter, and the quotations respecting oleomargarine for 1920, 1919 and 1918, he forgets that a war was on during part of that time which materially altered conditions. He also forgets—at any rate, if he has not forgotten it, he did not mention the fact—that prior to 1912 the people of this country had been building up a dairy industry. When that production reached its peak and we were exporting about 25,000,000 pounds a year, this government stepped in and killed that industry and to-day we are not producing enough butter for our own consumption.

I do not like to weary the house with figures, but I feel that it would be of interest to place some figures on Hansard with regard to the effects of this treaty. In 1927 we produced about 12,000,000 pounds less butter fat than we produced in 1926, and our production of milk decreased by 3,428,571,428 pounds, yet the Minister of Agriculture says the dairy industry never was more prosperous! Does he know that the herds of this country have been diminishing year by year? Does he know that to-day our importations of butter from New Zealand are equivalent to what could be produced by 100,000 cows which should be reared in this country? Still the minister says we are prosperous. But that is not all: I would like to give a few figures about our herds for the years 1927 and 1928, showing the reduction in each province:

	1927	1928
Prince Edward Island..	58,000	56,000
Ontario..	1,299,840	1,261,384
Manitoba..	255,874	248,630
Saskatchewan..	462,270	418,506
Alberta..	379,992	344,495
Nova Scotia..	142,000	137,000
New Brunswick..	111,000	109,000

In only two provinces have the herds not been reduced in the last three years—Quebec and British Columbia. I do not know the reason in British Columbia, but I presume that in Quebec they have been able to keep up their herds because of the great market to the south, especially in the city of New York. In every other province, however, through the action of this government in connection with the Australian treaty, the dairy industry has received the worst blow it has suffered in years.

But that is not all; associated with the dairying industry is the pork industry. In Denmark, which is practically the standard of the world in these things, they raise six pigs to every cow, but in this country I think we raise only five. Perhaps it may be of interest to place on record the production of swine, brood sows and other live pigs in Canada:

	1927	1928
Prince Edward Island..	53,665	62,653
Quebec..	833,529	813,509
Ontario..	1,883,177	1,833,576
Alberta..	742,671	680,000
Manitoba..	387,269	330,803
Saskatchewan..	616,603	602,156

Then, going a little further, we find a corresponding diminution of production in the slaughtering and pork-packing industry. That reduction is as follows:

	1925	1927
Salted pork.	71,000,000 lbs	47,000,000 lbs
Hams..	45,000,000 "	22,000,000 "
Shoulders..	19,000,000 "	8,000,000 "
Bacon and sides.	87,000,000 "	69,000,000 "
Lard..	54,000,000 "	51,000,000 "

Then, sir, coincident with that and accompanying it we have a further diminution in exports of the same products and an increase in the imports. I hope the Minister of Agriculture sees what is happening under his policy. A few figures will illustrate how our exports have decreased:

	1925	1927
Mutton and lamb. ..	26,000 lbs	18,000 lbs
Bacon, hams, shoulders and sides	1,325,000 "	580,000 "
Canned meats..	466,000 "	324,000 "

I recognize the difficulty of the Minister of Finance; this treaty is his own child and naturally he does not want to abandon it, but I think in the interests of the farmers of this country the time has come for this parliament to make its voice heard. Here we have one of the great industries of Canada struggling along under adverse conditions. I wonder if the house would be interested in the figures showing the increased importation of butter since this treaty came into effect. The figures are as follows:

	Exports	Imports
1925..	24,500,000 lbs	193,341 lbs
1926..	23,300,000 "	7,029,084 "
1927..	9,878,000 "	7,190,000 "

I am told that last year no less than 16,000,000 or 18,000,000 pounds of New Zealand butter came to Canada, and the dairy commissioner of New Zealand is authority for the statement that next year they intend to send 30,000,000 pounds of butter to this country. I ask you, Mr. Speaker, whether it is fair to the people of this country, who have invested about $153,000,000 in the factory end of this industry, to be treated in this manner. I hope the minister will take this into his serious consideration and do something for the farmers of Canada.

I have only forty minutes, so I cannot devote too much of my time to this subject. The other day I was reading again the speech of the Prime Minister at Newmarket in 1925, and, as I read that famous sentence "no monopoly on land or sea is the policy of this government," I began to think of the monopolies created by this government or continued under it. My mind went back to the famous Petersen contract, an attempt by this government to break the ocean freight rates which they claimed constituted a monopoly injurious to the trade of this country. I compared the rates of that day with those prevailing to-day and found that they are higher now than they were at that time. Then I thought of the attempt to break the combine which was supposed to exist on the great lakes. I remember that legislation of a drastic character was passed here, and then the government had to send emissaries to the American ship owners and offer them protection against the law in order to get our goods carried from the head of the lakes, which was something they had not the legal right to do. I find also that the lake freight rates on wheat are higher to-day than they were then.

Then consider the matter of the banks. There is no institution in this country that can take the people by the throats, so to speak, can so cripple business, as can the banks. I recognize what the Minister of Finance has said, and what the leader of the opposition has said with regard to amalgamations, but my criticism is this: the procedure should be to bolster up the weaker banks and not let two or three of the stronger banks obtain a strangle-hold on the country. The Minister of Finance said in effect that the minute a bank's deposits were not equal to its loans then it was on the road to bankruptcy. He also said that the people of this country were taking their deposits out of the weaker banks and putting them in the stronger. I submit that the Minister of Finance having directed attention to that, there will be a tendency to make the weaker banks still weaker and we will have further amalgamations.

Speaking of monopolies, my mind travels back to the struggle we had in this house two years ago to preserve for the people of this country the great water-powers on the Ottawa river. An attempt was made to hand

over to private interests one hundred million dollars' worth of power belonging to the people of Ontario and Quebec, without one voice being raised by a supporter of the government. Then we had an exhibition in this house last week which is not seen very often in a free parliament. We were discussing the fact that this government, together with the government of Manitoba, had given to a private corporation in Winnipeg one of the greatest monopolies ever created in the western provinces. After this parliament had been prorogued, and after the legislature of Manitoba had been prorogued, they handed over this great power site, although promises had been made in both houses that it would not be done. Then what do we see to-day? As the hon. member for Fort William (Mr. Manion) has very forcibly pointed out, we are witnessing the creation of one of the greatest monopolies this country has ever seen—the Beauharnois company. Parliament was not even consulted in this matter, it had no voice at all, and this government has gone ahead and created one of the greatest combines and monopolies that has ever existed. I looked up the provisions of the Combines Investigation Act, and I find that this act gives the government power to rid the country of all these monopolies. I went to the Department of Labour, over which our good friend the Minister of Labour (Mr. Heenan) presides, and I asked them what had been done under the provisions of this act since it came into force in 1923, when the government claimed the country was being grappled by the throat by these monopolies and obtained the powers contained in this act. I received a letter nearly two pages long, but boiled down it simply conveyed the information that this government, so enthusiastic for the rights of the poor downtrodden people had taken only one case to the courts and secured a conviction under the provisions of the Combines Investigation Act. This is pretty much on a par with the actions of every other department of the government.

In conclusion I should like to direct my remarks to the national status which the Prime Minister claimed he obtained for the people of this country. I should like the Prime Minister to tell the people, on the first occasion that presents itself, what he or his government ever did to increase the national status of Canada. I asked him that last year and he made a speech in Toronto this fall which covered two pages of the Globe, and he never once—I am sorry to say this, even though he is a political opponent—gave credit where credit was due. The 60,000 men lying over in France and the 50,000 cripples in this country and other countries drawing pensions, won that status for the people of Canada and not the King government. If any proof of this statement be required, I will read an extract from a speech delivered by Mr. Lloyd George at the imperial conference of 1921, as follows:

> The British dominions have now been accepted fully into the comity of nations by the whole world. They are signatories to the treaty of Versailles and of all the other treaties of peace; they are members of the assembly of the League of Nations, and their representatives have already attended meetings of the league; in other words, they have achieved full national status, and they now stand beside the United Kingdom as equal partners in the dignities and the responsibilities of the British commonwealth.

That was the pronouncement of Mr. Lloyd George in 1921. That status was won by the armies in France, followed up by the action of Sir Robert Borden and his ministers. I hope that the next time the Prime Minister takes credit to himself or his government for the position we hold, he will at least give some measure of credit to the people who won that position for the Dominion of Canada.

Mr. JOHN MILLAR (Qu'Appelle): Mr. Speaker, in rising to continue this debate I feel constrained to congratulate the Minister of Finance (Mr. Robb) on his excellent budget. I cannot say that that budget is all that I would like to have it, but I do not know that I can remember any budget since I came into the house that was as I would like it in every particular. But all things considered I think it must be confessed that the budget brought down this year is an excellent one. The continued surpluses, the increase in trade and the paying off of the national debt are things of which we should be very proud.

I also congratulate the acting leader of the opposition (Mr. Guthrie) on his brilliant address, an address of which this house should be very proud. However, I do not think I can say as much for his amendment. The amendment regrets that agriculture is not safeguarded and protected.

Let us examine that suggestion. One of the largest branches of agriculture is the growing of wheat, and it is interesting to remember that it was only in 1876 that the first shipment of wheat was made from western Canada. That shipment comprised the enormous quantity of 857½ bushels, yet in the progress of wheat growing we have jumped until now we are growing 533,000,000 bushels a year. The suggestion is that wheat growing should be protected. I would like to

ask the acting leader of the opposition or anyone else on the opposition side just how they are going to protect the Canadian wheat growers. Is it by an increase in the tariff upon United States and other wheat coming into Canada? The tariff is very small at the present time, yet we do not see any trainloads of wheat from outside rushing through Canada except for export. Our low tariff is sufficient now to keep foreign wheat out of Canada; that is, we import practically no wheat—only a few hundreds or thousands of bushels. What then would be the good of adding to the tariff upon imported wheat? Supposing you increase the tariff to make it equal to the United States tariff of 42 cents a bushel. What good would that do? Absolutely none. I should be glad if those who speak on the other side of the house and are in favour of protection to help the wheat grower, would name one article in respect to which we could, by raising the duty, benefit the growers of wheat in Canada. It is not fruit; it is not agricultural implements; it is not any of the articles of production; it is not clothing. What is it? How and where would they apply a duty or raise the present tariff to benefit the growers of wheat? The remedy, it seems to me, is too much like that resorted to by the man who was aggrieved because someone hit him with a club and who thereupon took up another club and hit himself. They will not remove or alleviate in that way the difficulties, the evils, the handicaps under which the wheat grower is labouring to-day. An increase in the customs duty would simply increase his difficulties rather than assist him.

The acting leader of the opposition said that there is something wrong in the marketing of grain, and I agree with him. I know he is right, and I should like to point out just how that grievance has continued to the present time. Many people in the west have asked: Why is it not removed? Why does the government not act and stop that evil? I believe the reason is simply because the farmers themselves have not been unanimous as to what the remedy should be. The major evils were mentioned the day before yesterday. Mixing is one, diversion of cars is another, an inaccurate system of grading is a third. The Minister of Agriculture (Mr. Motherwell) told us what took place in 1925 —how another chamber destroyed an amendment to the Grain Act that would have prevented entirely the greatest of the three evils; but at that time the farmers of western Canada were not united themselves in regard to the evils of mixing. Fortunately the work done in the agriculture committee last year has gone a long way towards crystallizing public thought in western Canada in regard to this evil. Some ministers, I believe, were very sceptical about the wisdom of having a number of copies of the evidence of that committee printed for distribution. There were those of us on this side of the house, and some on the other, who believed the farmers were interested in that question and would send for and peruse the reports. The results have borne out our opinion. I took occasion the other day to find out from the department just how many of those reports had been sent out. I was informed that 10,000 copies were printed, 1,000 copies retained for the use of members and senators, and nearly 7,000 copies of the 9,000 available sent out, while further copies are going out all the time. The evidence in that report gives some of the best information we have on the grain handling question, and as I have said, it has gone a long way toward crystallizing public thought. I believe I am not overstating the case when I say that 95 per cent of, not the farmers only but the people of Saskatchewan generally, are against the practice of mixing. A great number of the people of Alberta and Manitoba are opposed to it. Therefore I believe that now there is sufficient backing for the government to take action, and I hope action will be taken at this session of parliament.

This mixing means an enormous loss to the country. It was pointed out the day before yesterday that the grain that was reaching the old country market was very much poorer than the grain the farmer was delivering. I will not say it is proved to the hilt that the grain is one grade lower, but I think, on the evidence that was brought out, there is more than a fifty-fifty chance that the grain reaching the old country market, which is the basis of the price the farmer receives, is one grade lower in quality than that which the farmer delivered. If that is the case, what is the loss? It is about six cents a bushel. What is six cents a bushel on 400,000,000, let alone 500,000,000 bushels? It means $24,000,000. It is no dream when I say that the farmer, through the practice of diversion and mixing and an obsolete method of evaluating wheat for grading purposes, is probably losing $25,000,000 a year. The government has not been greatly to blame in the past for not remedying this situation, because public opinion even in the west, even among the farmers' organizations, was not united. It was not well crystallized; some thought mixing was a good thing and a small percentage believe so still. It has even been argued that

because of mixing the farmer gets more for his total crop, particularly on the lower grades. Take the case of feed wheat; you will find that the farmer, during the last shipping season, has been selling his feed wheat for about $18 a ton at his initial shipping point. If the same grower goes to the Western Canada Flour Mills Company or any other concern that sells bran, he will pay $30 or $32 a ton for bran. This is feed wheat that sometimes makes fairly good bread—not the bread that we would like to eat, but bread that will do for the orient and some other markets where they are willing to accept a poor quality of flour. He sells this feed wheat at $18 a ton and he pays $32 a ton for bran. Is that a fancy price that should tempt the farmer to support the practice of mixing?

This question of the grading of grain is one of very great importance. When we consider that just a little over one-sixth of the area of Canada is under crop, and that we have jumped in ten years from a production of a little less than 200,000,000 bushels of wheat to 533,000,000 bushels, the question arises in one's mind, what is the peak to which Canada may attain? How much wheat may we ultimately grow? I remember years ago, when we were producing very much less than we are now, making the prophecy that Canada would produce half a billion bushels of wheat within twenty-five years. We are producing more than that now, and I believe that with a proper fostering of the grain growing industry on the part of the different departments of agriculture, with a much needed solution of the rust problem, with the production of earlier varieties of wheat which will more readily escape frost and rust, with a vigorous campaign against weed pests and against growing so many poor milling varieties of wheat, it is well within the bounds of possibility that Canada in the next twenty years will be producing one billion bushels of wheat. Surely that is an industry that is well worth paying attention to. I heard the hon. member for Mackenzie (Mr. Campbell), I think it was, suggesting the other night that bringing people to Canada to take up more land and produce more wheat was simply increasing the number of those who would come into competition with our Canadian farmer. I do not fear that competition very much, for the reason that new markets are opening up before us all the time. Just think of these figures: Norway consumes only 1·5 bushels of wheat per head; India, ·9 bushels; Canada, 9·9 bushels; France, 8 bushels; Great Britain, 6 bushels. The markets in China and Japan are opening up in a very satisfactory way.

[Mr. Millar.]

Again, if Canada were to retrench in her operations in growing wheat, what would take place? It would simply mean that other countries, the Argentine, India, Australia, and the United States would increase their production and supply the wheat that we could grow. I do not think that the remedy lies in that direction at all. I believe that the best thing for Canadians to do is to produce all the wheat they possibly can, and with the least possible overhead, under the fostering care of the Department of Agriculture. I should like to see the government spend twice the money it is now spending in research to overcome the rust problem. I am not overlooking the fact that a great deal has already been done. The progress made in recent years has been highly satisfactory, but still more money could be spent with great benefit.

Not only is this an important industry in itself, but agriculture is the key to the solving of the great problem which is causing a great deal of worry in Canada just now, namely, immigration. One of the difficulties is that the farmer, in addition to having to fight against frost, dry weather, too much moisture, and weeds, which have become a great problem, has also to carry the burden of evils which this parliament can overcome. If I am anywhere near correct in my estimate that the farmer by these practices which should not be permitted, is losing $20,000,000 to $25,000,000 a year, he is losing that which would fortify him and put him in a better financial position to face years like the present, when frost sweeps away the net profits on his crop. If that amount could be saved to our farmers, in the course of a few years the farmers of western Canada would be well fortified and immigrants settling on farms in western Canada would at least have a fair chance to succeed.

Now I come to the remedy. Many remedies have been suggested. It has been thought that we might control the practice of mixing, and that has been tried many times. The remedy which was proposed in 1925, to which the Minister of Agriculture referred, was to require the mixing elevators to ship grain from their elevators equal to the average quality, passing Winnipeg. That means nothing more than this, that they shall send to the old country markets grain equal in quality to what the farmer is delivering to the elevators. Is there anything unreasonable in that? Where else in Canada could you find a people who would submit to anything else? Why does the Canadian farmer submit to it? Lord only knows; it is a wonder that he submits to it. He has been subject to it for so long that perhaps he has become accustomed to it, but

the time has come when he is not going to stand for it any longer. The practice has been carried to such an extreme and the rake-off has become so enormous that the farmers have awakened to what they are really losing, and they are uniting to put down this evil.

What is the remedy? I suggested one to the grain inquiry commission, a remedy which I now submit to the minister and the house. We are selling grain on the old country markets on what is termed certificate final. There is no redress, regardless of the condition in which the grain reaches that market. I suggested to the commission that they recommend that an international appeal board be set up in Great Britain, say at Liverpool, or London, or other market centres. To provide for those markets standard samples by the chief inspector, equal to the average quality passing Winnipeg. Supply the same standard sample at Fort William, Montreal, and at transfer elevators. In other words, right from Winnipeg to the ultimate market provide the same standard sample, equal to the average passing Winnipeg. There is no reason why that should not be done. Then we would have an appeal board, say at Liverpool, at Montreal, at Vancouver and at other inspection and transfer points, and the carriers across the ocean would be made responsible for delivering grain up to that standard. Give the carriers on the Atlantic protection from the elevators from which they receive the grain—say the Montreal elevator—make the Montreal elevator responsible for delivering the proper quality of grain, and give that elevator protection from the lake carriers that deliver the grain to the Montreal elevator. Work that system right back to Fort William, and then I think you will have found a remedy for the evil of mixing.

But how about the mills of western Canada? Let the miller buy direct from the farmer, and pay what he wants. Once a cargo of grain is billed to the terminal elevator, it should go to the terminal elevator; there is no reason why it should go anywhere else. You will find that there is no difficulty in working that out. I do not mean to say that it can be done without expense. Up to the present we have been operating on a broken down system, a system that perhaps was sufficient twenty-five years ago but is very, very inadequate to-day. We require an entirely new or a bigger system. The grain trade has expanded in the last fifteen or twenty years, but our system has stood still. We had three grain commissioners then; we have only three now, and they are not able to administer the Grain Act with proper attention to details. We have a very, very loose system of handling grain. The farmer will never get the full benefit of his grain until there is a more careful, and it will be a more expensive, method of handling the grain.

When you contrast our system with the American you find they are seven years ahead of us. They are puzzling over little points that we will not reach for some years yet. For instance, they pay for protein a different price for every quarter of one per cent, and they find that two chemists testing grain cannot come nearer to uniformity than twelve or fifteen points. Their contracts call for redress if the tests vary more than ten points. A trade journal has pointed out that what is necessary is a little more tolerance—that is the word they use—that no redress should be allowed unless there is a variation of more than twenty points. So you see what pains they have gone to, and how much more careful they are in the handling of their grain than we are. As a result the farmers of the United States are receiving many millions of dollars that in Canada would go into the pockets of the middlemen. A few months ago I noticed in the press a statement that Manitoba has twenty-one millionaires, Saskatchewan none, Alberta one. Well, I think there is a direct relation between the number of millionaires in Manitoba—they nearly all reside in Winnipeg—and the fact that there is a grain exchange in Winnipeg. There is no grain exchange in Saskatchewan.

It is now nearly six o'clock, Mr. Speaker, and as I have almost concluded what I purposed saying I will not detain the house any longer.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 40, to incorporate the Montreal Underground Terminal Company.—Mr. Rheaume.

Bill No. 61, respecting the Lacombe and North Western Railway Company.—Mr. Blatchford.

Bill No. 63, respecting The Toronto Terminals Railway Company.—Mr. Hocken.

THE CANADIAN DEXTER P. COOPER COMPANY

Mr. R. B. HANSON (York-Sunbury) moved the second reading of Bill No. 73, respecting The Canadian Dexter P. Cooper Company.

Mr. CAHILL: Explain.

Mr. HANSON: The object of the bill is merely to extend the time in which this company may begin operations. I understand that there is no opposition to allowing the bill to go to committee, although opposition may develop there.

Motion agreed to, and bill read the second time.

THE BUDGET

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

The house resumed consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and on the proposed amendment thereto of Mr. Guthrie.

Mr. C. H. DICKIE (Nanaimo): I wish, in common with those on this side of the house who have already spoken, to compliment the Minister of Finance (Mr. Robb) on the clarity, lucidity and quality of his budget speech, and also to congratulate that hon. gentleman and his colleagues on the assistance that a kind Providence has given him in furnishing material for a speech as good as was the one delivered a few days ago. As the favourable figures tripped from his tongue, and before he had finished his speech, I thought that had some unsophisticated friends of the Conservative party been sitting in the gallery they would sympathize with the Conservative opposition, and wonder what ammunition there was to be used after the minister had concluded. I thought they would feel sorry for us. Two men, Casey and Riley, had a little argument as a result of which Riley went to the hospital. A spiritual friend called the next day day to see him, remarking, "Riley, Casey feels badly over what he has done to you, and I will pray that you forgive him." Riley, said, "Father, you will save time if you wait until I get out and then pray for Casey."

During the magnificent and masterly criticism of the budget by our house leader (Mr. Guthrie), I thought I could detect in the countenances of ministers opposite perhaps a little need for spiritual consolation. I wish to congratulate our leader on the wonderful criticism he made of that budget speech. The budget undertook to show this country was fairly prosperous. There is no doubt that we have a certain degree of prosperity, due largely to the fact that, with our agricultural resources, our people who live on the soil have been fairly successful. We have had also wonderful prosperity in our mines, while our forests have contributed materially to the success of the institutions of Canada. The forests have now reached the zenith of their production, and now is the harvest time for Canada. The same may be said of our fisheries. So that we may call this the harvest, and I do not think that the government have made a proper use of harvest time. There is an old proverb which says, "he that sleeps in harvest is a son that causeth shame". These are days of harvest for Canada. We have a great country, and all we require is a proper fiscal policy to make Canada renowned throughout the world. True, we are enjoying a small degree of prosperity; nevertheless there are people unemployed throughout Canada, and these unemployed claim our attention. We have them throughout the year in Winnipeg, Edmonton, Vancouver, Montreal and Toronto, and I do not know what they would do in Ottawa to-day but for the fact that there has been a great deal of snow and they have managed to get a little work clearing the sidewalks and streets. We wish to make this a country where the ordinary man can succeed. I hold no brief for the manufacturers; I only want them to succeed so that the labouring people, those who work with their hands and their brains, may succeed as well. I think I can indicate how we might accomplish this result; we can do it if we will adopt a satisfactory financial policy for Canada.

During his budget speech the Minister of Finance touched very lightly in the question of immigration, because our immigration history is not at all creditable. From 1922 to 1926 inclusive we brought 518,000 people to Canada from Europe, at a cost of about $11,000,000; during that same period 556,000 people went from Canada to the United States. Surely no person can say that is a satisfactory state of affairs for any country. We must remedy that condition, and we can do it by keeping in Canada some of the money we send to the United States for manufactured and partly manufactured goods. Last year we bought from the United States goods to the value of over $800,000,000, of which 67 per cent were manufactured and partly manufactured goods, for which we paid

$536,000,000. If we could keep $400,000,000 of that money in Canada we would attract 500,00 people to this country and we would bring back our own people who have gone to the United States to look for work. We must furnish opportunities for those people or we cannot expect to keep them in Canada. During my life-time I want to see Canada become a country which pays its working men, both manual and mental, wages equal to or better than those paid in any other country of the world; I want to see all our expectations and hopes realized, and that can be done if we have a proper fiscal policy. I would protect our manufacturers; I would keep in Canada the greater part of the money we send to the United States, and if that were done I think we would have very little difficulty in getting people to come to this country. We argue from an entirely wrong basis in speaking of the tariff; if we keep the money in this country we will keep our people.

We have a tariff board touring the country, and travelling with that board is a gentleman who argues for free trade at every meeting. If the United States were permitted to appoint an advocate to appear before that board they could find no one more adapted to their purposes than Mr. Deachman, that gentleman who is always arguing for free trade and who loses sight of the fact that if we do not keep our money in this country we cannot keep our people. In the United States they have a tariff board also, but that tariff board is not a laughing stock as is the case in Canada; over night that board can increase the duty if they find goods coming into the country in such a way as to interfere with the labouring men of the United States. The hon. member for Fort William (Mr. Manion) cited one glaring case this afternoon, and I can give you another one now: Two years ago a textile factory in Ontario was manufacturing a very fancy grade of woollen sweater coats; some of these coats were worn in Windsor and were noticed by residents of Detroit, many of whom began to come to Windsor to buy them. The company sent representatives to Detroit and Chicago and put on a full staff of men, thinking that by working full time they could perhaps overcome the thirty per cent duty in force against that class of goods. They received orders for shipments of these sweater coats from Chicago and Detroit; the shipments got as far as the boundary line at Windsor, where they were stopped. A day or two later the factory wired to find out why the shipment had not gone forward, and the answer was that they were being held for an appraiser who was coming from Washington, which was an absurd answer. Then, before the coats could be sent forward, a duty of approximately ninety per cent was applied against them and of course they had to be returned to the factory. That is the way the government of the United States protects their factory employees, and this is the reason our young men go to the United States and remain there. We send our money there; we send our raw forest products there; we send our virile young people there, and apparently that is all they want. We buy our finished products from them, but you travel through the United States and see what manufactured goods from Canada you can buy there.

I can quite understand the viewpoint of hon. members to my left; they are men engaged in agriculture, which is an industry upon which national prosperity is based, an industry which has its roots in the soil, the surest foundation. I can quite understand these hon. members holding some modified ideas with regard to free trade; if we were to put into force a policy which would result in our buying goods manufactured in Canada we would find that for the present these manufactured goods would come largely from Ontario and Quebec. But, sir, with cheap power in Winnipeg and Calgary and with power available through the development of the coal regions near Regina there is no reason why the three western provinces should not become great manufacturing provinces as well. Let us try that policy; let us do what the Americans are doing. They have succeeded by it and France is making rapid progress under a similar policy.

During the budget speech we had some indication that some action might be taken as the result of a pronouncement which might be made by Mr. Hoover. Why consider Mr. Hoover? We are not children; let us show a little initiative. If we are to be a nation let us be one. Mr. Hoover and his congress have a right to do as they see fit and we have no right to criticize them. So far we have simply been hewers of wood and drawers of water for the United States, and they consider us weird, credulous people, narrow in the forehead and broad in the back. That is how the Canadian is regarded by American business man at present. What do we care what Mr. Hoover does? Let the United States pursue their own course, but let us do the same thing. I do not know of any reason why we should not go right ahead at present; we have been hampered and our farmers have been handicapped by the Fordney-McCumber tariff.

One would think from the announcements in the press that Mr. Hoover is going to protect the farmers of the United States and that in the past these farmers have not been protected; but as the hon. member for Fort William pointed out this afternoon, the farmers of the United States have been receiving protection equal to that afforded by any country in the world. They are protected by a duty of twelve cents a pound on butter, eight cents a dozen on eggs, five cents a pound on cheese and twenty cents a gallon on cream. I could go on for half an hour reciting the duties imposed against agricultural products entering the United States; even our wheat enters that country under a duty of forty-two cents per bushel, and what becomes of it then? It is made into flour and sold in competition with our flour in Cuba and other places which at present will not buy flour made from the soft wheat of the United States, and if that wheat is ground into flour and shipped back into Canada they receive a rebate of 99 per cent of the duty. They say to their people in plain language, "You shall not eat bread and cake made from Canadian flour, but if the Canadians are simple enough to let their wheat come here in order to enable us to improve the quality of our flour, then we will gladly let it come." I do not know what we should do about it; if it were up to me, I might be rash, but I would put an export duty on wheat going into the United States equal to the import duty of that country. I would say to them, "If you will not use the flour made from our wheat, you can not have it to defeat us in the markets of the world."

Mr. EVANS: Would you put an export duty on British Columbia lumber?

Mr. DICKIE: I do not think I would do that.

Mr. EVANS: Why not?

Mr. DICKIE: Because there is no fifty per cent duty on lumber going into United States. We hear the fear expressed that Mr. Hoover is going to do something. Why wait to see what he will do? To do that would be right in line with what this government has been doing during the long years I have been coming to Ottawa. It reminds me of that old quotation: "I am of all sects, but blindly sworn to none; for where the tempest drives I shape my way." This government has been shaping its way and trimming its sails for passing breezes instead of coming out with a strong, courageous policy and doing something which Canada wants it to do. The government has men of great ability, and if it would take a strong stand for a protective tariff which would keep the money in this country and make it prosperous, the name of that government would go down into history. As it is, it will not endure with the policy it has to-day. Supposing the special session which has been called by Mr. Hoover places a higher duty on our products going into the United States, as will probably be the case, there would be strong opposition in this country and the government would be forced to take some action. What will be said of a government that is forced into any action? Why not get out now and get some credit? France is doing it, Belgium is doing it and the United States is doing it, and a million of our people have crossed the line. We are right at the apex of our prosperity at the present time and we should take advantage of it. Why not make this country what it was designed to be by a munificient Providence? It can be done with very little trouble.

While you are protecting the farmers you are also protecting the manufacturers and others. I see no reason why a manufacturer who is protected by a high tariff should take advantage of that fact and charge too much for his goods. He should be allowed to make a good profit, sufficient to pay his employees as good or better wages than are paid any place else on the American continent. The manufacturers should not be allowed to profiteer and the books of any company should be subject to examination in order that we could extract from them, through an excise tax or in some other way, any money they had received through profiteering. We could go even further than the Americans have gone. They never consider whether a manufacturer is going to profiteer or not when they put a duty on articles coming in from Canada or the rest of the world. The greatest profiteer in the world to-day is Henry Ford, but have you ever heard one word against that gentleman on the American side? Certainly not. He gives employment to an army of people who are able to pay good prices for what they require, and that means good business all along the line. I would stop what they call cutting of melons. Let them make a liberal profit on the money invested and beyond that I would say: Thou shalt not go. By doing that we could build up mass production in Canada and have our factories running full time. We could sell in Canada just as cheaply as they sell in the United States. That great country to the south of us has 120,000,000 people as a market for the products of their manufactures and industries. We in Canada

are struggling along with about 9,000,000 and we divide our market with the United States. What chance is there for mass production in Canada? Absolutely none. The Americans have got the right angle on this question, and they have pursued that course for years. They have made that country a wealthy nation. They may have carried it a little to extremes, and I do not deny that protection carried to its ultimate conclusion perhaps is not for the best. I know of no reason why such a country as Canada is to-day would not succeed if we had a tariff similar to the one across the line. We have a wonderful agricultural country and it would be a foolhardy man who would even hazard a guess as to the mineral possibilites of that great pre-cambrian shield which runs through northern Ontario, Saskatchewan and up to the Bering sea.

We are exhausting our great forests all too rapidly. We are doing that too recklessly in British Columbia by not making the lumbermen clear up the floor of the forest after they log it off. This would prevent the terrible holocausts which sweep through the country when everything becomes as dry as tinder in the summer time. I understand they have the same difficulty in northern Ontario. We should make the lumbermen clean up and thus eliminate that danger. Reports have been sent out that there is no danger of using up the pulpwood in Canada for all time to come. The Minister of the Interior (Mr. Stewart) has expressed himself as being against that belief, and I thoroughly agree with him. If you want to find the real forests of to-day, where do you have to go? Right back to the headwaters of the rivers. If you would go up the Gatineau river among the Gatineau lakes, as I did last year, and climb a high hill, what would you see? You would see light green trees, poplar and birch, and perhaps once in a while a sombre pine rearing its head above the broad-leaved trees. There is no sign at all of a new forest growing. That is the trouble with this country; we have allowed the broad-leaved trees to spring up in the place of those wonderful fir trees which we had. Last year we exported 1,500,000 cords of pulpwood, or about one-quarter of the puplwood manufactured in Canada. I have no objection, Mr. Speaker, to the exportation of poplar pulpwood, as that tree is one that grows very quickly. Many farmers are able to go out and cut these trees and ship the wood at some small profit. But the poplar tree is not to be compared with the black spruce so far as pulpwood purposes are concerned. If you went over to Hull I think you would find that the average age of the black spruce trees which had been cut for pulpwood would run from sixty to seventy-five years. For the sake of argument let us assume that the 1,500,000 cords of pulpwood exported last year was all black spruce. I know it was not, but I want to use that as an argument. The black spruce areas of northern Ontario and Quebec average about six and one-half cords of pulpwood per acre. One million five hundred thousand cords would mean 360 square miles. Is that lumber going to be reproduced fast enough to keep up the supply of pulpwood? Not a chance in the world. People will say: the farmers will suffer. How many farmers will suffer? Take every bona fide farmer who is cutting spruce pulpwood to hew himself a home out of the forest; you can keep him in the Chateau Laurier and make millions and millions of dollars for Canada. The people who are crying out for the exportation of pulpwood are companies that are making a great deal of money by exporting it. I have heard more than one American say that if that pulpwood did not go across the line, they would manufacture it into paper in Canada. Our pulp and paper people have been too ambitious. They have reached out a little too far, and just at present the industry is running to perhaps only seventy per cent of its capacity. If you kept that million or million and a half cords of pulpwood in Canada, those mills would run full time and pay better wages than, I am sorry to say, they are paying to-day. They could pay better values for the pulpwood they buy from the farmer, and we could keep $40,000,000 or $50,000,000 in Canada instead of sending our people across the line to participate in the prosperity that results there because we are sending our raw material to that country to be manufactured.

I do not know that I have any more to say in this debate. After such brilliant speakers as our house leader (Mr. Guthrie) and the hon. member for Fort William (Mr. Manion) got through, they have pretty well picked all the meat from the bones; the bones are thrown back to us and the best we can do is to look them over for the little meat that may be left on them and growl. I have endeavoured in a few words to show the house how I think we can do something for this Canada of ours, a country of which I am sure we are all proud.

Mr. H. E. LAVIGUEUR (Quebec-Montmorency): My first words in the debate will be to congratulate the Hon. Mr. Lemieux, Speaker of the house, upon the great success he achieved in Europe again this year, especially at La Sorbonne where he delivered a series of lectures. He did honour to this house, to Canada and principally to his race. We are proud of his achievements.

This year we have in the house four new members, two on each side, who have replaced four very prominent former members. There is the hon. member for West Lambton (Mr. Gray) who has replaced the late Mr. Goodison; also the hon. member for Joliette (Mr. Ferland) who has replaced Mr. Denis who has accepted a judgeship. The hon. member for Joliette is a bright young man who, I am sure, will be a great success in parliament. I take much pleasure in tendering my congratulations to the hon. member for Victoria, B.C. (Mr. Plunkett) who has replaced the distinguished ex-Minister of Agriculture, Mr. Tolmie; also to the hon. member for West York (Mr. Lawson) who has replaced Sir Henry Drayton.

I wish to express my deep regret for the incident that occurred in the provincial legislature in the city of Quebec when an attempt was made upon the life of the Hon. Mr. Taschereau.

Mr. POULIOT: No one takes it seriously.

Mr. LAVIGUEUR: We do.

Mr. POULIOT: My hon. friend is the only one who does.

Mr. LAVIGUEUR: Probably my hon. friend is the only one who does not take it seriously.

Mr. POULIOT: It is a great joke in Quebec.

Mr. LAVIGUEUR: The people of Quebec are entirely sympathetic and regret the incident. We are proud and happy that Mr. Taschereau's life was saved for the good of the province. The Hon. Mr. Taschereau is the best premier that Quebec has ever had and he is so recognized, not only in Quebec but throughout the Dominion generally. We all hope that the Hon. Mr. Taschereau will be able to retain the premiership for many years to come for the good of the province.

I take much pleasure in again congratulating the Minister of Finance (Mr. Robb) upon the splendid budget he has brought down. I wish also to congratulate the acting leader of the opposition (Mr. Guthrie), the hon. member for Fort William (Mr. Manion) and others upon the brilliant speeches they have delivered upon the budget. Of course they have a very hard case to deal with, and I do not believe their arguments will convince the people of Canada that the present budget is not a good one.

Since 1921 the situation in Canada has improved greatly, principally since 1923, the public debt having decreased to the extent of $226,000,000. The net debt of Canada to-

day is $2,227,068,000. That is admitted by both sides of the house. The Minister of Finance, to the great joy of our people, has announced a surplus of $69,782,000, with a reduction in taxation of $25,000,000. I heard the hon. member for Fort William say to the house to-day that the reduction in the sales tax would not help very much; that it would mean only one dollar on a purchase of $100. That is so, but if you take the case of a farmer who buys $700 or $800 worth of agricultural implements and who spends for the upkeep of his family a like amount, or, say, $1,500 altogether, this reduction in the sales tax means a saving to him annually of $15. The reduction in the sales tax which the Finance minister has proposed in this budget will mean a great deal to every labourer, every farmer, and every citizen in this country. There has also been a substantial decrease in general taxation, by which all of our citizens will benefit. It has been stated that this has been made possible by the increased trade and the greater prosperity of the country. We all rejoice at this prosperity, but if we have prosperity in our country it is due to the good administration of this government. There is more confidence to-day in the public mind and in our commercial and industrial life. The people know that this government is giving them honest administration, and that the enormous debt of the country is being diminished year by year. As long as we have this government, and a man at the head of our finances like the Hon. Mr. Robb, the people of this country may rest assured that their affairs are in good hands. Another important fact which the minister mentioned was that we had a favourable balance of trade amounting to $154,000,000.

A great deal has been said about immigration. My hon. friend from Nanaimo (Mr. Dickie) who has just taken his seat, had something to say on this question. I cannot endorse absolutely all that he said, but undoubtedly there is a good deal in what he said about immigration. We must bring people to Canada who will help us to build up this country and pay off our enormous burden of debt. On the other hand, we should do everything possible to keep our own young people in this country. With that end in view, this government last year provided for grants to the provinces for repatriating our Canadians who are now resident in the United States, the grant being $50,000 to every province that would contribute a like amount. The government started with that amount as an experiment, and I am glad to say that in the province of Quebec, which contributed $50,000

for this purpose, this movement has proved a success, like everything else which is done by the government of the province of Quebec. I saw by the reports of the Minister of Colonization of the province of Quebec, the Hon. Mr. Perrault, that 651 Canadian families had been brought back to the province of Quebec on the sum of $100,000 jointly contributed by the federal government and the province. If 651 families can be brought back with an expenditure of $100,000, if the federal government would vote $100,000 instead of $50,000, and the other provinces would follow the example of Quebec, I think we would succeed in bringing back to this country from the United States many, many more of our citizens, and it would be a splendid achievement. I hope that the government and the Minister of Immigration (Mr. Forke), who is, I believe, doing his utmost for the benefit of this country, will take my suggestion into consideration and that a larger grant will be made for this purpose this year.

I notice that according to the estimates a large amount of money is to be expended this year on public works which are urgently required in the different provinces, yet in spite of that we shall have a large surplus. The acting leader of the opposition (Mr. Guthrie) took exception to the large amount of money that was to be expended in the county of North Bruce, represented in this house by the hon. Minister of Trade and Commerce (Mr. Malcolm), so it is obvious that if we have a large surplus it is not due to the fact that the government is not spending money on works that are urgently required. All necessary works are going forward; we have a large surplus, the debt of this country is being diminshed year by year, and the Finance minister has announced that he will have enough money on hand to pay off the $60,000,000 loan coming due in August next, as well as other liabilities. So I think every citizen in Canada can have confidence and rejoice in the splendid showing which the Finance minister has made.

Now, Mr. Speaker, I purpose to deal with the subject of old age pensions. Some of the provinces, including Quebec, did not take advantage of the old age pension legislation passed last session. In my province we have several institutions that look after the aged poor, and under the laws of the province the provincial government contributes to the upkeep of these institutions. Moreover, the people of the province are accustomed to taking care of their old folks. This probably prompted Premier Taschereau, who is a statesman of large vision, not to take advantage of the federal statute. I am in favour of old age pensions, and I would suggest that where a province does not pass the necessary legislation to implement the federal statute a special grant should be made to such province to assist it in looking after its aged poor, such grant to be distributed by the province in whatever manner they may see fit. I trust this suggestion will also be taken into consideration by the government.

In view of the prosperous condition of Canada as set forth by the Minister of Finance in his budget statement, I think it may be well for hon. members to bring to the attention of the government the urgent needs of their constituencies. On previous occasions I have called the attention of the government to the very unsatisfactory railway situation in the city of Quebec. Over thirty million dollars is being expended in the city of Toronto to provide terminal facilities, and I understand that if the report of Mr. Palmer dealing with the terminal situation in the city of Montreal is adopted it will involve an expenditure of a hundred million dollars. In the city of Quebec we are urgently in need of terminal facilities. The Canadian National Railways is forced to use the Canadian Pacific Railway station, with the result that passengers brought to the city by the Canadian National system go to the Chateau Frontenac and the Canadian Pacific get the advantage of the outgoing traffic. We have made sacrifices to secure a railway station, and I believe ours is the only city that has contributed an enormous sum of money in the hope of securing terminal facilities. But notwithstanding this heavy expenditure we are still without those long-promised facilities. Once more I appeal to the government to come to our assistance, I appeal also to the railway commission, and I invite Sir Henry Thornton to come to Quebec and investigate the situation. He has made such a notable success by his capable administration of the Canadian National Railway system that I am sure a personal investigation of the situation would convince him of the necessity of providing these long-promised terminal facilities.

On several occasions, Mr. Speaker, I have brought to the notice of this house the question of the minority stockholders of the Quebec and Lake St. John railway. Some years ago a group of business men in the city of Quebec with the help of some friends in London, England, built this railway. It now forms part of the Canadian National Railway system. The railway is seven hundred miles long and runs through the lake St. John, Chi-

coutimi and St. Maurice territory, where it has contributed very materially in developing the pulp industry and the aluminum industry. The latter industry is of world-wide importance and virtually controls the aluminum market. This railway is one of the most profitable sections of the Canadian National system. The majority stockholders were paid only one-third of the money they invested in the enterprise, and the minority stockholders never got back a cent of their capital. The Canadian National Railways have paid those stockholders in London who held bonds of the Grand Trunk Railway, and I submit that the Canadians who made a sacrifice in this connection should be reimbursed by the system. I have raised this question many times before, and I take this occasion to mention it again; because, as I say, this is a splendid opportunity for members to present their views and make their claims on behalf of their constituencies.

The government some years ago purchased a piece of land in Beauportville for the erection of a public building. This is a very important place, which is now enjoying the benefit of a great development, and I consider it time that the Dominion government provided the necessary funds for the erection of this building to be used as a post office and for other purposes. In 1913, I believe, plans were prepared and tenders called; but the war came and the matter was laid aside. I would ask the Minister of Public Works to take the question into serious consideration and grant this reasonable request.

I wish also to refer again this year to the necessity for a bridge on the island of Orleans on the north shore, from St. Gregoire to Montmorency. This bridge was promised as far back as 1911, when one of my predecessors, Sir Rodolphe Forget, who was member for Montmorency at the time, intimated that the construction would be undertaken and that the federal government would contribute its share. There are six parishes on the island, the population comprising good, honest agriculturists. There is no industry there but agriculture. Now these good people have no communication whatsoever after the closing of navigation; they are absolutely isolated. They have therefore been asking for the construction of this bridge. The Hon. Mr. Taschereau, with whom I have the honour to be associated in representing the interests of the people of Montmorency, is well disposed in the matter and is prepared to do his part in building the bridge if the government will assume its share. I know that the building of roads and bridges is not within the scope of the federal government, but this would be an encouragement to the development of agriculture in that part of the country, and I do not think that the government should hesitate to make its contribution for the purpose. If the government would provide the necessary amount it would ensure the construction of this bridge, which is very much needed on the historic island of Orleans.

I wish to tender my sincere thanks to the Minister of Agriculture (Mr. Motherwell), who is doing so much for agriculture, for a grant which he has decided to make to the Quebec provincial exhibition. Last year when his estimates were before the house a vote came up for consideration in connection with the Toronto fair, and I then drew his attention to the fact that the Quebec exhibition was receiving only $3,000 per annum, while the Toronto exhibition was in receipt of an enormous sum. I have no objection to that, the Toronto fair being a Dominion exhibition to which the people at large contribute. But I would point out that the provincial exhibition has not of late been getting the benefit of the grant of $50,000 which was given by the federal government some time ago to many of the provinces. Some of the provinces received that grant two or three times, but when it came to Quebec's turn the grant was postponed on account of the war, and consequently we were deprived of the advantage which the other provinces enjoyed. I know that the federal government have discontinued this $50,000 grant, but in view of the fact that the province of Quebec ,and probably one or two other provinces, were not in a position to take advantage of it when it was available, I would ask the minister—thanking him for the $100,000 which he gave to the exhibition of Quebec at my request—to consider this question seriously at the present time and make the $50,000 grant to the provincial exhibition.

I wish to return for a moment to a consideration of the needs of the island of Orleans. The government have a telephone system on the island but it has never given any satisfaction. There is also a local system there owned by a private individual, a Mr. Turcotte. The service is very poor; it is not at all satisfactory. I have received complaints with reference to this service on many occasions and I would ask the government to take over the control of it, or so to dispose of the telephone system on that island as to make it possible to give the people a reasonably satisfactory service, especially in view of the fact that they are so completely isolated in the winter. I understand that at

my request negotiations have been entered into by the Bell Telephone Company to purchase a privately-owned system on the island, and I believe the government have agreed to turn over the entire system to the Bell Telephone Company. I have no objection to this; I have been asking for it for some years, but I hope the Minister of Public Works will see that when the transaction is completed and the system turned over to the Bell Telephone Company, every care will be taken to see that the service is equal to that provided anywhere else and that the rates prevailing in other sections are imposed by the company.

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. LAVIGUEUR: Then my time having expired, sir, I will take up the subject again on another occasion.

Mr. GROTE STIRLING (Yale): Mr. Speaker, with the amendment proposed by the hon. member for South Wellington (Mr. Guthrie) I find myself in complete accord. In his thrilling speech yesterday afternoon he referred to industry after industry in this country which is suffering from the lack of that interest and care which it is within the power of the Dominion government to grant the industries of Canada.

My hon. friend referred to one industry in particular in which I take a deep interest; I refer to the fruit and vegetable growing industry which one finds scattered all over Canada and than which there is no finer section than the constituency of Yale, which I have the honour to represent. We are able to come to parliament this year with the experience of another shipping season and to lay before the government the difficulties as we see them, and which we consider have grown worse during the past season. I speak particularly of that part of British Columbia which lies between the Alberta boundary on the east and the line of the Fraser where it runs south to the town of Yale. Much the greater part of the products of that area come from the constituency of Yale, and last year there was an abundant crop. In order to give some idea of that crop, with the permission of the house I propose to place a few figures on Hansard. For instance, the total number of carloads of apples shipped during the last shipping season was 5,803, as compared with a total based on the average for the last four years of 4.956. The total carloads of all fruits for 1928 was 6,947, as compared with an average for four years of 5,955; the total carloads of vegetables for 1928 was 2,248, as compared with an average total for the last four years of 2,670. It will be seen from these figures that there was a very considerable increase in the fruit shipped from that area, almost the entire increase being in apples, while there was a comparatively small falling off in vegetables.

In examining the problems with which we are faced—because in common with all industries in this country we have problems peculiar to our industry—we may look upon them as being divided into three main classes, as follows: the problems the solution of which is in the hands of the producers alone; the problems which the producers must take to their provincial governments for assistance, and those problems which the producers would wish to discuss with the Dominion government. By itself the solution of any one of these problems will not put the industry on its feet. I do not maintain, for instance, and the prdoucers in my constituency do not maintain, that if the government should suddenly change its views and correct the deficiences which we consider exist in connection with our tariff, all would be well, but we do maintain that it would be a step in that direction and that our other problems might be made easier of solution. The problems which are peculiarly in the hands of the growers are the producing, harvesting and packing of the fruit or vegetables and the removal of dissension within the ranks of the producers themselves, because it is only by maintaining perfect cooperation among the producers that we can hope for success. The problems for which we turn to the provincial government for assistance include irrigation, and it must not be forgotten that throughout that great area practically all the fruits and vegetables are produced under irrigation with its attendant cost; in addition to that there are the marketing difficulties which are affected in one way or another by provincial legislation. In the third category come those problems connected with the Dominion government such as the fruit act, the assistance which we do obtain and may still obtain from the Dominion experimental farm, and last of all the Canadian tariff. It would not be proper in this place to discuss the problems coming within the first two classes, but it is proper to discuss those matters for which we turn to the Dominion government for assistance.

So, Mr. Speaker, with regard to the fruit act let me point out that it is entirely desirable that the production and marketing of fruit should be governed in all the provinces by a Dominion fruit act; it is entirely desirable that the fruit should be graded and that there

should be clauses within that act for the purpose of safeguarding the consumer. But there is one change for which the producers in Canada are looking in the fruit act. They believe that the grades of apples should be removed from the act itself and taken care of in the regulations under the act. For instance, why should apples be singled out from all the other fruits and have their grades almost unalterably fixed in the act? This is not the case with regard to other fruits, nor is it the case with regard to vegetables, eggs, seeds, butter or cheese; in all these cases the grades are fixed by means of regulations put into effect by the minister, which grades may be changed after due consultation with the industry. The reason why I want a change in that respect is this: In my short experience in parliament occasions have arisen when the government has not seen fit to introduce legislation affecting the fruit act for the purposes of amendment; the exigencies of the political situation have been such as to make it inadvisable to bring up a certain act for amendment. At the same time, however, there being fashions in marketing as in other things, it has become desirable that a change should take place. The minister has the opportunity of consulting the industry; he has the opportunity of taking it up with that parliament of horticulturists which he brought into existence in Ottawa, the Canadian Horticultural Council, on which all branches of the industry are represented. It does not seem to me that the industry suffers any danger through leaving the regulating of grades in the hands of the minister.

Another matter which should be considered in this house is the question of the tariff. A great deal was said last year about the tariff on fruits and vegetables, and I desire to report what has happened in my own particular part of the country in that regard. We had a bountiful crop and we ascertained quite early that there was also a bountiful crop on the other side of the line. We also discovered that it was the full intention of the Washington growers to dispose of their lower grade fruit in our market. With the unwillingness of the government to give us any assistance under what has been nicknamed the dump clause, it looked as though we were in a powerless position. It was not possible to take the matter up any further with the Dominion government, and we therefore consulted among ourselves. An important meeting was held in the city of Vernon, which was attended by the representatives of the fruit and vegetable growers from this great area. It was decided at that meeting that a delegation should be sent to the prairie provinces to consult with those in those provinces who had been opposed to our ideas on the subject of a tariff on fruits and vegetables, and see whether it would be possible to iron out our differences. Before going into the doings of that delegation, I might refer for a moment to the report of the markets commissioner in the city of Calgary, who acts as a lookout for the fruit markets in the three prairie provinces. The following are one or two extracts from his report:

> It was early seen that United States importers had set their minds determinedly upon exploiting Canadian markets as the most profitable field to dump their glut surpluses in. Strawberries from Missouri in car lots were sent as far west as Calgary and Edmonton. Saskatchewan and Manitoba were canvassed and supplied with the cheapest berries of the year from Missouri and for the first time much of the preserving done by prairie housewives was done from fruit imported from the United States two weeks before British Columbia produce was ready to roll.
>
> In all, ninety-seven cars of American strawberries were consumed on the prairie markets and only about eighty cars of British Columbia berries were consumed there. Most of these berries arrived at prairie points within two weeks of the advent of British Columbia stuff. This same condition was found in cherries, plums, prunes, peaches, apricots, pears and even apples.

And then again:

> Prunes, peaches, grapes and potatoes have been quoted at prices far below the home cost of production and supplied to Canadian markets. The dump duty could not be invoked because glut conditions in the United States compelled the shippers to quote ruinously low prices on their home market and it could not be proved that prices quoted in Canada were less than the glut price on their home markets.

From that report it will be seen that we were at a decided disadvantage in marketing within Canada the fruits grown in Canada. We consider we should have ample facilities for selling to Canadian consumers. The situation in Washington is that they desire to sell their high grade products in their own city markets, but they want to save those city markets from the competition of their own lower grade stuff, and so they search for another outlet. They discover that Canada is improperly and imperfectly protected by a tariff fence, and they say: Into Canada let the surplus go. It is against that practice that we complain, and we suggest that it is only a reasonable request to make that the Dominion authorities grant us some form of protection against glut surpluses. We suggest that it might be a good thing to try to forget that word "dump." Many battles have been fought to decide whether or not we hold to that clause, but we suggest that it is not

beyond the wit of the advisers of the government to devise some clause which, if put into operation, would protect us from that surplus of glut fruit. Those in the United States who have considerable quantities of such fruit at their disposal are naturally desirous of interesting Canadian brokers in its sale, and they use many methods to advertise their goods. I have before me a bulletin which was sent out by a certain firm of brokers in the state of Washington, in which they describe the goods at their disposal. I will read an extract or two from this bulletin:

The apples which we shall describe hereunder are now packed and in the warehouse. The management did not realize that it would probably be impossible to sell these apples but in the meantime they have their packing costs invested and would like to sell all of the descriptions shown hereunder at the best obtainable prices.

But they did not want to sell them on their own American markets. Those three states produce about seven times as much as we do under irrigated conditions in British Columbia. They market that seven-fold crop to a population twelve times as large as that of Canada, and we say that if they cannot dispose of their surpluses without hurting their own markets then they should not be permitted to send them into Canada to hurt ours. Another extract from this circular reads as follows:

You will note that I have placed no prices on these descriptions and bearing in mind that every penny over and above packing costs means help to these growers, I therefore want you to tackle this proposition and help us sell these few cars.

The bulletin continues with a description of the fruit:

The indentations are not severe; most of the apples carry a beautiful blush; here and there will be found an apple or two that is badly hail-marked, but taking them as a whole, these cookers or hail-marked Bananas are not bad.

And then again:

This personal letter to you is to find that market. It is up to each one of you receiving this bulletin.

The bulletin concludes with the following:

Please don't read this bulletin and say to yourself "It can't be done." If you have the will to do and the sympathy in your heart to help someone who is rather in a bad situation it can be done. Now it is up to you. Let me hear from you by wire.

Mr. KING (Kootenay): If I may interrupt, would my hon. friend give the name of the writer of that letter?

Mr. STIRLING: In reply to the Minister of National Health, I would be entirely pleased to show him the letter, but as it was given to me as a letter which had been received in the trade and it was considered inadvisable to publish the name, I would prefer not to do so.

Mr. KING (Kootenay): I must take exception to that. This is the second time I have heard that letter read.

Mr. GUTHRIE: I rise to a point of order.

Mr. KING (Kootenay): The name of the writer should be given.

Mr. GUTHRIE: Order.

Mr. KING (Kootenay): My hon. friend is entitled to give the name of the writer.

Mr. DEPUTY SPEAKER: Do I understand that the hon. gentleman is rising to a point of order?

Mr. GUTHRIE: My point of order is that the minister must not interrupt. It is a very simple one.

Mr. KING (Kootenay): I will rise to a point of order. Documents cannot be read in the house promiscuously. The name of the writer of a document should be given and the document produced.

Mr. GUTHRIE: That is not a rule of the house.

Mr. MACDONALD (Richmond): It is a new rule.

Mr. KING (Kootenay): My hon. friend should at least table the document.

Mr. STEVENS: That is childish.

Mr. GEARY: Why is the minister so much afraid of it?

Mr. KING (Kootenay): I am not afraid of it at all. This thing has been bandied about the country too much and nobody will come out and tell the name of the writer.

Mr. STIRLING: I am sorry I have inadvertently hurt the feelings of the Minister of National Health—

Mr. KING (Kootenay): Not at all.

Mr. STIRLING: —because almost my next remark was going to be an expression of some gratitude to the Minister of National Health for having come into the fruit growing area last year and consulted with the industry, holding conferences at Penticton, Kelowna and Vernon for the purpose, as he said, of informing himself on the subject and being

helpful. His visit there was entirely appreciated by the industry, and it was earnestly hoped that a further discussion of these difficulties by him with his colleagues might produce some results.

I referred just now to the visit of the delegation to the prairies. They also received the blessing of the Minister of National Health. He thought it was an excellent thing that we should endeavour to get away from the word "dumping". He thought it was a most satisfactory suggestion that our own growers and producers should go into the prairies and discuss with the farmers' organizations there the difficulties which existed. That delegation went to Winnipeg and the first farmers' organization that they met was the United Farmers of Manitoba—the diminishing remnant of undiluted free trade in the prairies. The delegation listened with considerable interest to speeches on the subject of undiluted free trade, and the United Farmers of Manitoba went so far as to endeavour to convert our producers to a campaign in favour of free trade in this country. Therefore we made little progress, for our representatives were not converted.

They received happier treatment at the hands of the Manitoba Cooperative Poultry Market Association and the Winnipeg District Vegetable Growers' Association. That is not to be wondered at, because both of those associations are suffering to some extent from the same trouble which afflicts us. They also met representatives of the Manitoba wheat pool and were received most courteously. I think it might almost be said that those gentlemen were prepared to adopt a position of friendly neutrality. Before leaving Winnipeg they had an opportunity of meeting men in the board of trade, the United Grain Growers, the Grain Growers Grain Company and the Winnipeg Grain Exchange, with all of whom they discussed the situation. With all of them they were able to an extent to explain differences of opinion and to meet criticism and what were supposed to be helpful suggestions for ameliorating the situation by exposing the difficulties that those suggestions, if carried out, might create.

From there they went on to Saskatchewan, and in Regina they met the representatives of the Saskatchewan wheat pool and the cooperative creameries. They met also the leading men in that province. Coming nearer home, at Calgary they had a most gratifying reception from the board of trade and there again they met men of prominence among the Alberta farmers. The interviews with individuals were of course not public, and it would not be proper for me to disclose what took place. But I may say that the delegation came back from that visit to the prairies thoroughly pleased with their reception and also surprised that in the three prairie provinces, where free trade is supposed to reign, the proposition which the producers put forward was received with favour in certain places, and at least with interest in others, making them think that possibly the time has come in Canada when there may be a coming together of interests on this matter, when it will no more be necessary for the government of the day to rely too strenuously on utter, out-and-out free trade if they desire to retain power.

It is noticeable in that regard that about the time of the meeting in Vernon, the Winnipeg Free Press published an editorial which contained these two passages. It started by referring to the vigorous demands that are being made by the fruit growers of British Columbia and Ontario for protection against dumping, and it continues:

> The dumping provision is regarded by public opinion as proper; and its enforcement during the summer season against consignments of the United States surplus entered for consumption at less than cost price, would meet with no opposition from the fruit-consuming Canadian public.

Later on:

> It is claimed that the dumping machinery in the Customs Act cannot be made to work in the case of so perishable a commodity as fruit. It surely ought not, however, to be beyond the capacity of our lawmakers to make provision by which the full advantage of the statutory enactment against dumping should accrue to our fruit growers. Inquiry and experiment along these lines might bring results advantageous to the fruit growers.

Of course the editorial goes on to condemn utterly any widening of protection or misuse of protection, but the very fact that these two sentences appear in an editorial in the Winnipeg Free Press was taken by us to mean that there was a little more kindliness of heart being shown in the prairies to our point of view.

Let me attempt in a very few words to put forward what it is the producer of fruit and vegetables is actually asking for. To begin with, he suggests that we forget the word "dumping." In the second place, he suggests that we shall be protected against the importation of the surplus products of another country. He is ready to admit that the machinery which has been made use of in the past has not always been wisely made use of, but he suggests that it is reasonable for the producer to bring this difficulty before the Dominion government and ask for a

solution. In the words of one who years ago was an occupant of the House of Commons press gallery, writing in the Manitoba Free Press:

What the growers and allied interests requested at the recent tariff conference at Vernon was for some fair price-fixing regulation for purposes of importation in glut periods that would prevent glut conditions on Canadian markets, and prevent prices dropping to the point where the producer cannot get his cost of production and a reasonable margin of profit on his operations.

The one and only reason why the Canadian markets were not flooded in this last season by "C" grade apples from the Pacific states was just this: When our peak of production was approaching, we became aware of the fact that it was the intention of the United States to ship in this glut surplus, and it was therefore necessary for our shippers to make up their minds whether they would allow that stuff to come in, or whether they would shave the price, and keep on cutting, until it was inadvisable for the foreign shipper to come in. They decided to shave the price, with the obvious result that on the average, I think I am correct in saying, the apple producer at least in the interior of British Columbia will finish his operations with a debit balance on his books. That, Mr. Speaker, cannot go on indefinitely.

This is the fifth time that I have had the privilege in this house of endeavouring to lay the fruit growers' burdens before the government, and in each one of those years I have pointed out that this industry is sick. It is little better to-day than it was five years ago, and if this condition is allowed to continue much longer, we shall find that whole areas in Canada will go out of the production of fruit. And if that happens, when there is no Canadian fruit to give competition to the fruit of another country, the consumer in Canada will receive fruit from that other country just as it suits those shippers to send them in and at the price that the shippers choose to charge. The consumer in this country will be at their mercy. It is not only the fruit grower himself who will suffer. There is probably some $40,000,000 invested in the fruit and vegetable industry in the valleys surrounding the Okanagan, and besides that, there are all the other walks of life connected with the industry in that neighbourhood. The storekeeper will suffer, and so will the professional man, and if the fruit industry goes down, we shall have that sorry spectacle of another little piece of Canada neglected. It surely does not pass the wit of this government, if they have the will to take up this matter, to solve the problem once for all, for I would once more emphasize that the present condition cannot continue much longer. If we can have the Canadian market, we can satisfy the Canadian consumer, but if in the selling of our produce in the Canadian market we are to be met by the produce of another country, there can be only one result.

On motion of Mr. Fansher (Last Mountain) the debate was adjourned.

On motion of Mr. Robb the house adjourned at 9.45 p.m.

Monday, March 11, 1929

The house met at three o'clock.

MARINE AND FISHERIES

FIRST REPORT OF SELECT STANDING COMMITTEE

Mr. WILLIAM DUFF (Antigonish-Guysboro) presented the first report of the select standing committee on marine and fisheries.

Mr. Duff moved that the report be concurred in.

Mr. DEPUTY SPEAKER: This motion can be accepted only by unanimous consent.

Some hon. MEMBERS: Explain.

Mr. SPENCER: We do not know what the report is about.

Mr. DUFF: The report was read only a few minutes ago, and if my hon. friend had been listening he could have heard it.

Mr. DEPUTY SPEAKER: If there is an objection to the motion being adopted it will have to stand as a notice of motion for to-morrow.

Motion stands.

BEAUHARNOIS POWER PROJECT

PARTIAL RETURN LAID ON TABLE OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to lay on the table a partial return to an address of the House of Commons dated February 13, 1929, with respect to the project commonly known as the Beauharnois power and canal proposition.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I wonder if the government would find it possible to lay on the table at the same time the papers in con-

nection with the application of the St. Lawrence Power Company for a similar right some years ago, which application was refused. The papers must be in the possession of the department and they would be very interesting.

Mr. MACKENZIE KING: Yes, if such papers are there I will ask that they be laid on the table.

DIVORCE PROCEEDINGS

RIGHT OF MARRIED WOMEN TO ESTABLISH DOMICILE

Mr. W. J. WARD (Dauphin) moved for leave to introduce Bill No. 75, respecting the domicile of married women in proceedings for divorce.

Some hon. MEMBERS: Explain.

Mr. WARD: The purpose of this bill is to give to women who have been deserted by their husbands or otherwise separated from them for a period of two years or longer the right to establish their own domicile, which right they do not possess at present.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

STEAMER WAUKETA

Mr. ARTHURS:

1. Is the steamer Wauketa, formerly named the Margaret, owned or operated under charter or otherwise by the Public Works department of Canada? If so, for what service?
2. What was her cost or what is the charter cost per annum?
3. What was the cost to Canada for service of the said vessel, if owned or employed, during the season of 1928 for, (a) repairs; (b) supplies and upkeep; (c) wages and salaries; (d) general; (e) total cost?

Mr. ELLIOTT:

1. (a) Owned; (b) For the inspection of harbour works, towing small plant and making repairs in the Toronto district.
2. Built by the department at a cost of $15,650.
3. (a) $3,350 for dry dock and renewal of hull, first time in fifteen years; (b) $596.11; (c) $1,121; (d) nil; (e) $5,067.11.

CIGARETTE TAX

Mr. GOTT:

1. What is the excise tax on cigarettes?
2. When was present rate of excise imposed?
3. How many times has raise in excise been made during the past fifteen years, stating increases as to, (a) time, (b) rate?

[Mr. Bennett.]

4. How much revenue was raised from excise on cigarettes each year from 1912?
5. How many cigarettes were imported into Canada per year during the foregoing years?
6. How many cigarettes were manufactured in Canada each year during the same years?

Mr. EULER:

1. Excise duty rates are as follows:—

Cigarettes weighing not more than 3 lb. per M, $6 per M; Cigarettes weighing more than 3 lb. per M, $11 per M.

2. Present rate was imposed June 30, 1923.
3. Changes in excise duty rates since August, 1914, were as follows:—

August 22, 1914: Cigarettes weighing not more than 3 lb. per M, $3 per M; cigarettes weighing more than 3 lb. per M, $8 per M.

May 24, 1918: Cigarettes weighing not more than 3 lb. per M, $6 per M; cigarettes weighing more than 3 lb. per M, $11 per M.

June 28, 1922: Cigarettes weighing not more than 3 lb. per M, $7.50 per M; cigarettes weighing more than 3 lb. per M, $12.50 per M.

June 30, 1923: Cigarettes weighing not more than 3 lb. per M, $6 per M; cigarettes weighing more than 3 lb. per M, $11 per M.

4. Excise duties collected on cigarettes during the fiscal years ended March, 1912 to 1928, were as follows:—

Fiscal year	
1912	$ 1,889,376 74
1913	2,357,705 81
1914	2,809,347 02
1915	3,004,822 14
1916	3,252,797 58
1917	3,929,130 15
1918	5,002,576 44
1919	8,852,076 02
1920	14,657,162 63
1921	14,650,577 55
1922	14,710,869 68
1923	14,079,064 11
1924	14,767,259 51
1925	15,197,878 40
1926	17,308,109 01
1927	20,011,204 66
1928	23,569,641 00

5. Imports of cigarettes entered for consumption in Canada during the fiscal years ended March, 1912, to 1928, were as follows:—

Fiscal year	Lb
1912	65,173
1913	75,555
1914	79,875
1915	44,339
1916	30,222
1917	22,396
1918	23,698

Fiscal year	Lb
1919	21,085
1920	19,933
1921	25,611
1922	27,136
1923	36,127
1924	31,880
1925	42,115
1926	50,896
1927	45,622
1928	46,670

6. Cigarettes manufactured in Canada during the fiscal years ended March, 1912, to 1928, were as follows:—

Fiscal year	Number
1912	783,982,185
1913	979,206,407
1914	1,166,707,610
1915	1,088,858,656
1916	1,356,846,085
1917	1,698,815,380
1918	2,321,594,533
1919	3,023,639,690
1920	3,305,963,002
1921	2,512,048,186
1922	2,401,142,192
1923	1,984,043,182
1924	2,431,696,061
1925	2,566,900,570
1926	2,897,179,500
1927	3,313,551,110
1928	4,006,498,075

TORONTO HARBOUR

Mr. CHURCH:

1. What work remains to be done in Toronto harbour by the government under order in council and agreement made in 1913 with the city and harbour commission for harbour improvements?

2. What sums of money have been spent to date by the government on such agreement.

3. What were the terms of the erection of two bridges to Toronto island across the western and eastern gaps in said agreement aforesaid?

Mr. ELLIOTT:

1. By authority of order in council of June 10, 1913, the government was to undertake the following works which were estimated to cost approximately $6,400,000:—

(a) The excavation to a depth of 24 feet of a channel and basin in Ashbridge bay; the channel to be approximately 6,000 feet long and 400 feet wide, and the basin 1,100 feet by 1,100 square; along both sides of the channel and around the basin are to be constructed pile work retaining walls that will accommodate the traffic which it is intended to develop in this new industrial district; (b) The construction of a cribwork breakwater, approximately 18,600 feet long to protect the lake shore west of the western entrance to the harbour; (c) The construction of a seawall of pile work, approximately 17,295 feet long, to protect the lake shore on the east side of the eastern entrance of the harbour; (d) The building of two bascule bridges, one over the eastern entrance, and the other over the western entrance to the harbour.

Items (c) and (d) of the foregoing still remain to be done.

2. $8,188,741.08.

3. As included in the above mentioned order in council.

ALFRED PEAT BOG

Mr. CANTLEY:

1. What is the character of and what the obligation of Peat Fuels Limited to the government of Canada in connection with the Alfred peat bog?

2. What amount does the Canadian government claim as due on account of sums expended on remodelling Alfred peat bog plant?

3. Has the Dominion government any other claim against Peat Fuels Limited for rent, breach of contract or otherwise?

4. During how many days did Peat Fuels Limited operate Alfred peat bog during 1928?

5. What quantity of peat fuel did above company produce during 1928?

6. What is the cost of freighting peat fuel from Alfred to Montreal?

Mr. STEWART (Edmonton):

1. Owing to the inability of Peat Fuels Limited to operate the Alfred plant, the government leased, under agreement, the plant and equipment of the company for a period of one year and eight months. Peal Fuels Limited agreed, on the expiration of this lease, to reimburse the government for all expenditures incurred in fully equipping the plant.

2. Approximately $84,130.08, plus accrued interest from January 1, 1929.

3. Yes, for sales of peat fuel $3,409.66.

4. None. Plant was operated by the government.

5. None.

6. Eight cents per hundred pounds for minimum shipments of 40,000 pounds.

EXPENDITURES FOR RELIEF

Mr. CHURCH:

What are the details of an item of $806,736.72 set out in Hansard in reply to the proposed aid to Welsh miners; of prior votes by parliament since 1905, for relief voted in cases of distress and famine in the British Empire and elsewhere, as set out on page 407 of Hansard, February 25th, 1929?

Mr. MACKENZIE KING:

1905-06—Relief of famine sufferers in Japan	$ 24,824 91	
San Francisco earthquake, relief	100,000 00	
		$124,824 91
1906-07—Jamaica earthquake, aid to sufferers		42,743 47
1907-08—Jamaica earthquake and fire, aid to sufferers		7,256 53
1908-09—Earthquake in Italy relief to sufferers		100,000 00
1909-10—Aid to sufferers from floods in France		50,000 00
1914-15—Sealing disasters, Newfoundland, relief to sufferers		25,000 00
1920-21—Contribution towards fighting typhus epidemic in Europe		200,000 00
1922-23—Relief of war refugees in Constantinople	$25,000 00	
Russian famine relief "Save the Children Fund"	40,000 00	
		65,000 00
1923-24—Japanese earthquake relief fund		182,369 55
1925 26—Leeward islands hurricane, relief supplies		7,646 78
1926-27—Isle of Pines hurricane, relief for Canadian sufferers		1,895 48
		$806,736 72

QUESTION PASSED AS ORDER FOR RETURN

COMPENSATION FOR CATTLE DESTROYED

Mr. MORIN (Bagot):

1. What total amount was paid as compensation, throughout the Dominion, for cattle which reacted to the tuberculin test, during the years 1924, 1925, 1926, 1927 and 1928?

2. What proportion of said amount was paid in the province of Quebec and what was the average amount per capita, (a) for pure bred and registered cattle, (b) for cattle not registered?

3. During each of the said years, what was the total amount paid in salaries or compensation, by the Department of Agriculture, to officials who travelled through the province of Quebec to conduct this tuberculin test of cattle?

UNOPPOSED MOTIONS FOR PAPERS

COMPILATION OF RURAL DIRECTORY

Mr. McRAE (For Mr. Arthurs):

For a copy of the instructions issued to postmasters for compilation of the rural directory for the various constituencies of Canada.

[Mr. Church.]

REPAIRS TO LINDSAY ARSENAL

Mr. ROSS (Kingston) (for Mr. Peck):

For a copy of all letters, telegrams, correspondence, accounts, and other documents, passing between the Department of National Defence and E. A. McPhee, in reference to repairs to the Lindsay arsenal, during the years 1926, 1927, and 1928.

WHARF AT CAP CHAT

Mr. MacLAREN (for Mr. Cahan):

1. For a copy of all orders in council, correspondence, pay lists, and other documents, relating to the repair of the wharf at Cap Chat, county of Gaspe, Quebec.

2. A return showing the name of the superintendent of said work, the salary he received, along with a copy of all correspondence with said superintendent in regard to said work.

TRANSFER OF NATURAL RESOURCES

Mr. MacLAREN:

For a copy of all correspondence, letters, telegrams and other documents passing between the government of the province of New Brunswick, or any department thereof, and the government of Canada, or any department thereof, in regard to the transfer of the natural resources to the prairie provinces.

POSTMASTER AT PICTON

Mr. ROSS (Kingston) (for Mr. Stinson):

For a copy of all orders in council, reports, recommendations, correspondence, telegrams, resolutions, and other documents, on file in any department of the government or the Civil Service Commission, in any way relating to the appointment, cancellation of appointment or dismissal of S. Smith, and the appointment of B. J. Purtelle to the position of postmaster at Picton, Ontario.

MESSAGE TO PRESIDENT HOOVER

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Before the orders of the day are called I would like to ask a question. The press despatches indicate that His Excellency the Governor General sent a message of congratulation to the President of the United States on the occasion of his inauguration. I desire to ask the right hon. Prime Minister if such message was sent by His Excellency on the advice or with the approval of his constitutional advisers.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The communication to which my hon. friend has just referred was a personal communication in the nature of an international courtesy, for which I am prepared to take full responsibility.

STRIKE AT OSHAWA

ALLEGED IMPORTATION OF GERMAN WORKERS

Mr. PETER McGIBBON (Muskoka-Ontario): I would like to ask the Minister of Labour (Mr. Heenan) a question with regard to the accuracy of a report appearing in the Toronto Evening Telegram of Saturday last with regard to a strike at Oshawa. In this article it is stated that the strike was caused by the importation of Germans on the advice of the Minister of Labour, and I would like to ask if it is the policy of his department to recommend the importation of Germans to put Canadians out of jobs.

Hon. PETER HEENAN (Minister of Labour): The Minister of Labour is very glad to inform the hon. gentleman that there is no foundation for that statement.

Mr. McGIBBON: And you deny the accuracy of it?

SOLDIER SETTLERS IN BRITISH COLUMBIA

Mr. H. J. BARBER (Fraser Valley): I would like to draw the attention of the Minister of Immigration (Mr. Forke) to the serious state of affairs which appears to exist among the soldier settlers in a certain section of British Columbia. I have here a brief extract taken from one of the leading Vancouver papers, which is as follows:

> Say Soldier Settlers are Starving Here
> Fraser Valley Delegation to Ask Settlement Board for Relief Plan
>
> The soldier settlement board will be interviewed by a committee, to be appointed this afternoon by the Fraser Valley Milk Producers Association on annual meeting at Hamilton hall, it was decided this morning, to ask for relief in connection with assignment of milk tickets by soldier-settler members for liabilities to the soldiers' settlement board.
>
> Reduction in the price of butter fat has placed some of these members in a difficult position, it was stated. Some who have been unable to break the assignments have left the association altogether, while others, it was declared, with wives and children were starving.

I have also received a letter in connection with this matter, and I would ask the minister if some relief can not be given.

Mr. FORKE: I have no information regarding this matter, but I will make inquiries and give an answer to the hon. member.

THE BUDGET

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

The house resumed from Friday, March 8, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment thereto of Hon. Hugh Guthrie.

Mr. W. R. FANSHER (Last Mountain): Mr. Speaker, in rising to make a few observations on the budget as presented by the Minister of Finance (Mr. Robb), I would like to make reference to the remarks made the other evening by the hon. member for Yale (Mr. Stirling). He reviewed a state of affairs which exists with regard to the apple-growers of British Columbia, and his observations no doubt attracted considerable attention. I do not desire to have my remarks considered as offering any advice to those who have found themselves in the position described by the hon. member, but I would like to mention that the wheat-growers in the three prairie provinces found themselves in a somewhat similar position in 1923. In that year the farmers of western Canada found that they were producing their crops at a very serious loss. Many farmers had an actual cash loss of $3,000, and some farmers lost as much as $10,000. We had our backs to the wall and we had to devise ways and means by which we could benefit from our experience, and from the morass of opinion which was expressed at that time was evolved what is known as the western wheat pool. We did not believe that we could ask for protection and have the situation relieved in that way, but we believed in the old adage that mutual self help was the best help we could get and we proceeded to set up an organization which would put our product on the markets of the world at the lowest possible cost. In reviewing the situation at that time we discovered that the consumer of our wheat was paying a much higher price than was commensurate with the price we received for the product. I think we have succeeded to a very large extent in eliminating that large spread between the price the consumer has to pay for the finished article, the loaf of bread, and the price we receive as the producers of wheat. I am sure that we in the prairie provinces pay a sufficient price for a box of apples to net the producers a very handsome return. I can recall having paid as high as $2.75 for class C apples, and up to $3.25 for class A; I know that the cost of packing is about 55 cents and the freight is about 65 cents per box, and I do not see any reason why the prairie provinces should not be treated in the same manner with regard to apples as are the consumers of wheat. I do not see any reason why the producers in Yale

and other constituencies in British Columbia could not make some arrangement with the consumers which would eliminate this wide spread. If that were done we would be able to consume more apples and the producers would receive a greater return for them. I only offer this as a suggestion, and I would like to see another goodwill deputation visit our provinces with the definite object of getting together on this matter so that we might both be mutually helped.

It is not my intention to detain the house in reviewing the budget, as I have a specific matter which I would like to bring to the attention of the house. A situation has grown up very recently in western Canada which, I think, should receive the very serious consideration of the Minister of Finance. I want to congratulate the minister on the very clear and concise manner in which he presented the financial statement of the affairs of Canada, and for the few reductions in the schedules which he has brought down. He also gave us a very clear understanding as to the indebtedness of Canada. If I have his figures correctly, he gave the dead weight debt of Canada as $2,330,835,086, a rather colossal sum. Although most of this enormous debt was created during the war, we must remember that the interest on this large sum of money, as well as any reductions in principal, must come through the efforts of the taxpayers of Canada. I am pleased to note that there is no reduction in the income tax in the budget of this year. We did have reductions in 1927 and 1928, and I remember receiving letters, pamphlets and exhortations from various organizations throughout Canada urging that I support the Prime Minister and the Minister of Finance in the reduction of the income tax. Whenever I answered any of this correspondence I always stated that I was opposed to any reduction in this tax so long as we had a war debt which had to be met; so long as we had a war debt upon which the interest charges were accruing year by year. The income tax along with other taxes, was specially instituted to take care of the enormous debt thrust upon us because of the war. It is a tax which comes from those who are best able to pay. Those who come under the present schedules of the tax, in my opinion and I am sure in the opinion of many members of this house, are well able to pay that tax. It is a tax that is easily collected; there is no particular expense in connection with its collection. On the other hand, if it were done away with, whence would the interest charges come and whence would the amounts necessary for the reduction of our enormous debt be collected? They would be collected principally from the customs and excise taxes and even now, as I shall endeavour to show a little later on, the burden is very heavy on many of us. It is not my intention to go into the matter fully, but if we take into consideration the platform that was given us in 1919 and again in 1921, I feel that we are moving all too slowly along this line. In that platform certain commodities were specified that would be put on the free list. The government has been in power for seven years and the last item on the list, namely, fertilizers, has been put on the free list. I would impress upon the minister the necessity within the next few years of putting on the free list the next item, that is, cement. In looking over the report of the hearing before the tariff advisory board we realize that the cement people can well do without any protection whatever in the production of that commodity. It is a staple building material and it enters into the cost of our production to a great extent so that the removal of the duty would be of great assistance to us.

Passing on I should like to comment on the talk of prosperity in the Dominion. I was pleased to note in the speech delivered the other day by the acting leader of the opposition (Mr. Guthrie) that he said the prosperity had not reached the small towns and townships throughout Canada. If we pick up the papers and read the bank statements we would think Canada was rolling in wealth, and possibly from their point of view they are stating what actually exists. Bank statements show unprecedented prosperity; brokerage houses and financial corporations show a very large increase in their operations and profits. Our Canadian National railway was never before in its history able to make such a showing as it did during 1928. The gross earnings were far and away above anything it was able to show in previous years. The net profit that our nationally-owned railway made last year was $7,000,000, not including the interest accruing to the government. That is a very creditable showing. I just want to point out where the major portion of this revenue came from. In western Canada we had an immense crop, so far as quantity goes; considerably more than 500,000,000 bushels of wheat were produced there last year and from that crop the railways received the tonnage on which they were able to make such enormous earnings. But the western crop in the aggregate is not paying the cost of production. The revenue from this immense crop which has created such prosperity, we might

say in the upper strata of the financial world, has not brought prosperity to the men who produced it. I could name hundreds of farmers in my own constituency in western Canada who, when they drew out every bushel of wheat that was taken from the threshing machine and marketed the same, found the first pool payment on that wheat was not sufficient by several dollars to pay the cost of threshing which is a very minor cost in the production of wheat. That is a very serious matter and it is driving us in western Canada to look around for new methods of production. That is not all due to climatic conditions. True it is, we had a frost just when the wheat was ready to harvest. This wrinkled the bran a little in some instances but it did not harm the milling value at all. As was mentioned by the hon. member for Yale (Mr. Stirling) last week, their grading system in regard to apples militates against their profits considerably, and the same thing can be said with regard to grain in western Canada; the grading system under which we operate at present was not applicable to last year's crop. The producers of last year's crop are suffering to the extent of millions of dollars because they could not receive the intrinsic value of their product, and because of the over-production the farmer's plight is made even worse. True it is, we produced an enormous crop in western Canada last year. We are told that the surplus production of wheat throughout the world in the harvest of 1928 was more than 400,000,000 bushels, and yet we have an immigration policy which is bringing into Canada only farmers to settle here, open up new territories and produce more wheat to flood the world's market and in that way reduce the price. That is a policy which, I maintain, is fallacious. We should make a complete survey of the situation and see whether some better method cannot be found than bringing into Canada immigrants ostensibly to go on the land and produce where production does not show a profit. During the last number of years the position of the farmer has not been rosy. True it is, the 1927 crop gave us a little ray of hope, but it was dissipated when we started to thresh our last year's production.

This leads me to another phase of the situation which I want to draw to the attention of the house, and especially to that of the Minister of Finance. In his remarks in bringing down the budget he had these words to say, as reported in Hansard, page 595:

> The constant expansion within Canada brings new problems. We should recognize that this generation has an obligation to build wisely for the greater to-morrow.

I want to bring to the attention of the house Canada's new problem. In western Canada we are not slow to adopt new methods of tillage, harvesting, marketing and so on. I might refer for a moment or two to what industries are doing. I remember well reading the report of the hearing before the tariff advisory board of the application for an increase in duty of fifty cents a ton on coke where one of the manufacturers engaged in the production of iron and steel threw across the table the remark that a certain institution in this country was a back number; that its machinery of production was out of date and that he himself was very strongly opposed to any advance of fifty cents a ton in the duty on coke, for the reason that he had spent several hundred thousand in putting into his plant new machinery, up-to-date methods of handling his product, and he felt that he should not be penalized to that extent because he wanted to keep abreast of the times. In western Canada in the last three years there has been an innovation in the harvesting of our crop and I want to speak particularly of the combine and the position in which it is placed through the tariff. I might draw the attention of the house to certain items in the customs tariff schedules which relate to harvesting machinery. Tariff item 445 specifies harvesting machinery as follows:

> Mowers, mowing machines, harvesters, self-binding or without binders, binding attachments, reapers and complete parts thereof: British preference, free; Intermediate, 6 per cent; General, 6 per cent.

The machine known as a combine, which is coming into extensive use in the west, is not wholly a thresher; it is only part thresher and part reaper; it falls under section 60 of the Customs Act, and section 60 reads as follows:

> If an article is enumerated in the tariff under two or more names or descriptions, and there is a difference of duty, the highest duty provided shall be charged and collected thereon.

To prove my statement that this machine is new in western Canada, and that the farmers are not slow in taking up advanced ideas in either tillage, harvesting or marketing, I would like now to quote you a few figures. I wrote to the Departments of Agriculture in the three prairie provinces, and I received from those departments similar answers, as they quote the figures given by the Northwest Farmer in their census of the situation. I hold here in my hand that document to which I have referred. It has been compiled from information secured from all machinery companies doing business in western Canada that sold or dealt in combines, and I want you to

note particularly the rapidity with which the western farmer has taken up this particular machine. Combines first made their appearance in any number in 1926. In the province of Manitoba during that year there were two in operation; in Saskatchewan, 148 and in Alberta, 26—not a very large number when you consider the thousands and thousands of farmers in western Canada. But in 1927 twenty-one were added in Manitoba; 382 in Saskatchewan and 195, in Alberta, making a total of 598 put into operation in 1927.

Undoubtedly, these combines were proving their effectiveness and efficiency, because when we come to 1928, we see an increase of 611 per cent— 611 per cent in one year. In Manitoba that year, in addition to those already in operation, they had 206; in Saskatchewan, 2,356, and in Alberta, 1,095, making a total for the year 1928 of 3,657 new machines.

The grand total of those machines brought in and put into operation in the last three years was 4,431. These machines came in, and were classified under tariff item 447b, which reads as follows:

Wind stackers and threshing machine separators, including baggers, weighers and self-feeders therefor and complete parts therefor: British preferential, 5 per cent; Intermediate, 10 per cent; General, 10 per cent.

I want to detain the house a little while in explaining this. The rate is 10 per cent. It is 5 per cent under the British preferental rate and 10 per cent under the general tariff. A thresher-separator, that is, an ordinary thresher-separator, costs to-day anywhere from $1,600 to $1,900, according to its size. It is set in the field and remains in a stationary position, and threshes all day usually. It is not drawn around the field, and it is not subjected to anything like the wear and tear that a combine is put to. The tractor that furnishes the power for that separator comes in free, but the motor that furnishes the power for the combine is taxed 10 per cent. There is in this a great inequality. The combine costs anywhere from $2,000 to $4,000, and it takes a $4,000 combine to accomplish in a day the amount of work that can be done by the ordinary separator that costs $1,600. It is a new method of harvesting. It gets our wheat in a better condition to the elevator. It keeps it away from the snow because, as we know, we very often have a snow storm early in the season which necessitates threshing the remainder of the crop the following year.

It is my contention that this machine should come under item 445 and should be taxed 6 per cent instead of 10 per cent. If the combine would last as long as the ordinary separator conditions would not be so bad. But this particular machine is short-lived, and, under ordinary circumstances, a farmer will require two of them in the period of time during which an ordinary threshing separator would last him.

Mr. VALLANCE: Might I ask a question?

Mr. FANSHER (Last Mountain): Yes.

Mr. VALLANCE: Does the swather come under the same tariff item?

Mr. FANSHER (Last Mountain): Yes, the entire machine comes under the higher rate. The combine is essentially a harvesting machine. It does the harvesting and the threshing at the same time. When the crop is to be harvested it goes around the field, picks up the standing grain, threshes it and delivers it in the wagon. In being hauled around the field you will readily understand that the machine is in the dust and dirt all the time and, therefore, it is not a long-lived machine. It is my desire to impress upon the members very strongly this contention: that this particular machine should be designated as a harvester. It is essentially a harvester machine, and should be designated as such. Take last year, for instance. There were 3,657 of those machines brought in, and you must realize that the production of wheat in western Canada is penalized to a very great extent when I say that it was only in 1926 that they first made their appearance. The present classification is not in keeping with the spirit of the revision of the machinery schedule made a few years ago when all harvesting machinery then in existence was put under the six per cent rate and I am further convinced that no such classification was then contemplated. I feel sure that all the members of this house, whether they be agricultural producers or not, will see the inequality that exists in placing this machine which is, as I say, purely a harvesting machine, in a classification which so penalizes the production of wheat. May I repeat that the motor that furnishes the power to operate the combine is taxed ten per cent, whereas the tractor that provides the motive power for the separator which threshes the grain in the ordinary way—the system that has been in use in western Canada for many years—comes in free. The motors attached to the combine and the tractor develop practically the same power, they are largely identical in design, and yet, because one is attached to the combine and

becomes a part of it a tax of ten per cent is levied upon it while the other being detached and classified as a tractor comes in free of duty.

Mr. STIRLING: Is this machine made in Canada at all?

Mr. FANSHER (Last Mountain): To the best of my knowledge these machines are not made in Canada. I understand that the Massey-Harris Company have been manufacturing them in the United States and shipping them across the line.

Mr. VALLANCE: It would not make any difference.

Mr. FANSHER (Last Mountain): As my hon. friend opposite says, it would not make any difference. Other harvester machinery comes under the 6 per cent schedule. Why not this? This is a very high priced, short-lived machine. An ordinary separator will outlast two of them. To be compelled to pay the higher rate of duty on such a machine seems to me to be altogether at variance with the spirit governing the revision of the machinery schedules that were dealt with a few sessions ago.

To show the rapid rise in the value of the imports of this particular class of machine during the past few years I propose to give the house a few figures which I have received from Mr. Coates of the Bureau of Statistics. In the figures are included threshing machines, wind stackers, baggers and so on—all parts of the threshing machine. Prior to 1926—the year that combines, we might say, made their first appearance in western Canada—our importations of threshing machines amounted in value to $2,482,830. The increase in the value of our imports for 1927 corresponds with the increase in the number of these combines that were imported, the figures being practically double those for the preceding year, that is, $4,044,503. It is not to be supposed that any more threshing machines were imported in 1928 than in 1927, presumably the ordinary importation to keep pace with the development of the country, but we find a very marked increase in the valuation of the machines imported, and this is due principally to the greater number of combines included in the figures. In 1928 the value of our imports under that schedule was $8,214,938.

It may be argued by those who advocate high protection that 10 per cent is not an unreasonable rate of duty; but this particular type of harvesting machine, which may be said to be first cousin to the threshing separator, is subject practically to a 20 per cent duty. So far as the number of bushels threshed is concerned, the combine cannot do any more work in a day than the ordinary separator costing $1,600, but it costs the farmer from $3,500 to $4,000. But although the combine does not do any more work than the ordinary separator, there is a saving of time and in other ways by its use. But we have to meet the changing conditions, and if the extra tariff duty on these machines has to be borne by the producers of wheat, then they are unjustly penalized; and if the harvest conditions of 1928 are repeated over a few more years, I am sure that many of us in western Canada will have to quit growing wheat. Therefore I appeal to the house and to the Minister of Finance seriously to consider this situation. The hon. minister in his budget speech said that new conditions are arising, and that it is the duty of the government to meet these conditions. Let me quote his words, to be found at page 595 of Hansard:

> **In accordance with the fiscal policy of the government, the tariff changes to be submitted to-day are designed to reduce taxation and to lessen the costs of production.**

I am confident, Mr. Speaker, that if I had the time I could prove conclusively to this house that these combines should come under the 6 per cent rate.

Mr. GEARY: Will the hon. member allow this question—in the majority of cases is the reaping done by the combines, or does the combine follow the reaper?

Mr. FANSHER (Last Mountain): It is done both ways. In the northern areas where the wheat has to dry in the stook the swather method is preferable. I use one myself. In the dry areas where the straw is stiff and stands up for a long period the method is what we call the straight combine—straight from the standing grain into the machine. But the swather is a part of the combine—an essential harvesting part. About one-half of the machine is the harvester, the other half is the thresher. Of course, a certain amount of the value is represented in the motor that operates the machine. I wish to quote further from the Finance Minister's budget speech. At page 594 of Hansard he is reported as follows:

> **In so far as we have a fiscal problem, our task would appear to be that of readjusting,—**

Will the house kindly note those words?

> **—that of readjusting, as necessity arises, our customs tariff schedules to meet new conditions, of removing inequalities where inquiry proves such to exist.**

I think the hon. minister will agree with me that the rate of duty on this particular

machine is undoubtedly such an inequality as he had in mind when introducing his budget. Therefore, I appeal to him to give the matter his very serious consideration, and I trust that he will see his way clear to have the machine designated as a harvester to bring it under tariff item 445. In this way I can assure him that he will be conferring a great favour on those who are engaged in producing Canada's staple crop—wheat.

I would be remiss in my duty, Mr. Speaker, if I did not congratulate the hon. gentleman (Mr. Guthrie) who led the opposition in the absence of his leader on the very able speech which he delivered in criticism of the budget. I have already noticed that he referred to the prosperity mentioned by the Minister of Finance as not reaching some of the small towns and townships of the Dominion. In this I heartily agree with him. It is true that there is in this country a growing spirit of resentment at some portions of President Hoover's inaugural speech, and I am afraid that possibly our desire to retaliate will get the better of our good judgment, with the result that something rash will be advocated. But be this as it may, I feel that we have not a great deal to fear, no matter what tariff action is taken by the United States. True, our cattle industry may be thrown out of joint for a little while, our dairy men may suffer very materially for a short time, but I am convinced that in the long run the consumers in the United States are going to be heard from. If I might offer a suggestion in this connection, I would propose that while we are waiting to see what action is taken by our neighbours in the matter of tariff revision we should evolve a definite tariff policy ourselves. I would suggest a remedy, and in proof I would quote from the speech of the Minister of Finance (Mr. Robb), Hansard, page 594. He says:

> It is gratifying to note the steady development of inter-empire trade. Canada, the pioneer of the British preference, looks on empire trade as the keystone of its external trade policy and desires in every way to foster closer trading relations throughout the British commonwealth of nations.

I would just offer a suggestion in closing. In answer to anything that may arise from the tariff juggling which may take place in the United States, I urge that we put into effect the principle just quoted and that we materially reduce the tariff against Great Britain. Great Britain takes the greater portion of our agricultural products. She takes upwards of $300,000,000 worth of wheat and wheat products; some put it at $275,000,000, others at $280,000,000, while others again claim that it is over $300,000,000. Now if we are allowed to ship such a large proportion of our exportable surplus to a country the size of Great Britain, surely we can consider giving her a very marked increase in the preference which she now enjoys in the markets of Canada. And we can do this as a very effective answer to anything that may be advanced in the way of argument in connection with the tariff raising policy of the new President of the United States.

Mr. J. A. CLARK (Vancouver-Burrard): I am sure, Mr. Speaker, that you, like all the rest of us, in fact like all Canadians, perused with great interest Mr. Hoover's inaugural speech delivered on March 4, and I am sure also that your eye, as did the eyes of many others, fell upon one outstanding paragraph in that speech. I have no doubt that you looked through the speech to see what the policy of the United States was going to be towards this country, and it is rather significant that the paragraph in question should be so brief in a speech of such length. I should like to read the paragraph which relates particularly to the policy of the United States towards Canada and the outside world. That paragraph reads:

> Action upon some of the proposals upon which the Republican party was returned to power, particularly further agricultural relief and limited changes in the tariff, cannot in justice to our farmers, our labour and our manufacturers be postponed. I shall therefore request a special session of congress for the consideration of these two questions. I shall deal with each of them upon the assembly of the congress.

A remarkably brief paragraph for a special session of congress. We in this country have never called a special session of parliament except in great emergencies, such as war. But apparently the point indicated in President Hoover's speech is considered in the United States as of sufficient importance to warrant the calling of a special session of congress. I think my hon. friend from Last Mountain (Mr. Fansher) who preceded me need have very little fear about what will be done by this government; all he need do is to follow the history of the Liberal party during the past seven or eight years and he may be fully reassured as to what that party's action is likely to be.

Mr. ERNST: Inaction.

Mr. CLARK: Yes, a policy of inaction. Yet, Mr. Speaker, I am sure that you have with some alarm examined the trade returns as between these two countries. Take for instance the year 1925. In that year we had an adverse balance of trade with the United States of $92,000,000. In 1926 that became

$133,000,000; in 1927 $208,000,000; and in the fiscal year 1928 $222,000,000, and, for the calendar year 1928, $333,000,000.

I would point out that the New York Times, a very reliable newspaper, states that our adverse balance of trade with the United States for the calendar year 1928 was $427,000,000. Now, Mr. Speaker, is it not beyond comprehension that any member of this parliament can rise in his place and say, "Stand pat on such a situation"? In my opinion this is Canada's outstanding problem to-day. How are we going to remedy the situation? Can Canada continue to pay the United States $400,000,000 a year? Can the Minister of Finance (Mr. Robb) contemplate the situation with equanimity? A few years ago the Prime Minister (Mr. Mackenzie King) considered our balance of trade somewhat of a test with respect to our prosperity. I am sorry he is not in his seat; I should like to read to him his own words spoken in his budget speech in 1926. However, I shall still read them. I quote from Hansard, May 18, 1926, at page 3485:

> For the twelve months ending March, 1926, the visible trade balance of Canada amounted to $401,134,000, and that for the United States to $352,364,000. . . . or a cool $50,000,000 less than our favourable trade balance in the same period. This fact is a remarkable demonstration of how Canada is holding her own in the markets of the world. The policy of the present administration, of cheapening the instruments of production, has operated to increase the volume of Canadian exports.

I direct the foregoing particularly to the attention of the Minister of Finance, in the absence of the Prime Minister, and ask him to examine the monthly summary of foreign commerce of the United States, which he will find in our library. Therein he will discover that the favourable balance of trade in the United States for the calendar year 1928 was $1,000,000,000 while the favourable balance of trade for Canada in the same period was just $127,000,000. Moreover, had it not been for a phenomenal crop our Minister of Finance would have presented us this year with an adverse balance of trade; because for the first three months of this year there was actually an adverse balance against Canada with all countries. But, as I say, due to a phenomenal crop the minister was enabled to bring down a statement which showed a favourable balance of trade. To-day, however—and I invite the Prime Minister's attention to this—in world trade there is a "cool" balance in favour of the United States as against Canada of $900,000,000 instead of a "cool" balance of $50,000,000 in our favour as was the case in 1926.

Surely, Mr. Speaker, these facts call for action; they called for action before Mr. Hoover delivered his inaugural speech and they call for action much more definitely to-day. I am sure you wondered, Mr. Speaker, as we all wondered, why the Minister of Finance delivered his budget speech on Friday, March 1, when he knew very well for months in advance that the President of the United States would deliver his inaugural address on March 4. I believe he did it at the dictation of the Prime Minister of Canada, who desires to dodge his responsibility.

It is very interesting to analyse our export trade with the United States. For the calendar year 1928 and really for the fiscal year 1928, since there is a difference of only about $4,000,000, our exports amounted to about $496,000,000 which, by the way, is less than in the years 1920 and 1921, when they ran well over $500,000,000. Of that $496,000,000, however, we find that $237,000,000 is accounted for by the exportation of forest products which the United States must have; practically one-half of our exports to the United States consists of our forest products, and it is very interesting to contemplate how completely they control us in this industry. We find that Mr. Graustein, President of the International Paper Company, comes over from New York, and, with some others gets a strangle hold on our resources; they create over-production and the next thing we know is that instead of Canada getting $80 per ton for her newsprint, a contract is made with Mr. William Randolph Hearst, whose publications always have been hostile to British traditions, for $50 a ton, a loss to Canada of $30 a ton, and this government permits that sort of thing to go on. I direct the attention of the government to a pamphlet called Forest Facts, published by the Department of the Interior, and from that publication I would like to quote a few sentences:

> The forest resources of Canada are being depleted at the rate of about five billion cubic feet annually through cutting, fire, insects, and decay. If the reproduction and young timber are not protected, the stand of merchantable timber accessible for exploitation will not withstand this drain for more than twenty-five years. . . . Few people realize the urgent need which exists for a forest policy in Canada.

I wish the government of Canada would begin to realize that urgent necessity; one of their own departments publishes the facts but we see no interest taken by this government. No action was taken in the emergency which existed a few months ago in connection with the pulp and paper industry. It may be answered that this was a provincial matter, and it is true that Mr. Taschereau and Mr.

Ferguson stepped into the breach and have been able to do something; it is true that the provinces issue the licenses for the exploitation of these pulp resources, but the moment the timber is cut and is about to be exported it becomes a matter of fiscal policy; it also becomes a matter of trade and commerce and the responsibility devolves upon this government. The Minister of Finance was derelict in his duty during the past year in not calling into conference the heads of these few pulp companies and reading the riot act to them. It is high time that the men who have invested their money in the natural resources of Canada should be made to understand that with regard to our capital assets we will not tolerate any policy except one that gives to us a fair price for those assets. To-day we are not getting a fair price; we are sending to the United States annually about $250,000,000 worth of capital assets in the shape of forest products which we are not replacing, while the United States sends back to us products which are largely the product of American labour.

The policy of this government in regard to our great resources is also seen in connection with our industries, with one or two of which I will deal by way of illutsration. First let me take the sugar industry. In 1927 this country exported sugar to the value of more than $15,000,000; in 1928 these exports fell to $6,000,000, and for the calendar year of 1928 they were less than $4,500,000, a decrease of over $10,000,000 since 1927. I mention this because of the very interesting action taken by the British government to protect their sugar industry. On April 24, 1928, they introduced further safeguarding legislation with the result that the imports from Canada through the port of Bristol decreased to 645 tons, although in 1925 the imports from Canada had amounted to 6,193 tons. The effect of that policy on their importations from all sources is also very illuminating. For instance, in 1925 their imports through Bristol amounted to 62,024 tons, and this fell to 14,931 tons in 1928, showing very clearly the effect of a little safeguarding or protection on an industry.

My hon. friend from Last Mountain prayed that the government would not take any further steps in regard to protection of our industries as against Great Britain; in fact he advocated the repeal of all the existing duties against British manufacturers. It is very hard for one who has been brought upin the woollen industry, for example, to understand how anyone could have that point of view. On Saturday in this province, not far from where I was born, I saw the plants of three woollen mills, two of them closed and one which went bankrupt six months ago and which has been re-opened recently. In 1922, when this government came into office, according to statistics furnished by the bureau here, in thirty-seven identical mills there was an average of 4,333 employees. Since that year there has been a gradual falling off; I will not quote the figures for each year, but for 1928 the employees of these thirty-seven identical mills averaged only 3,683, showing the retrograde action in this industry. I point out, Mr. Speaker, that those figures only cover the thirty-seven identical mills and do not disclose the fact that dozens of mills have closed up altogether. No doubt the employees of such mills have migrated to the United States, but nevertheless we find members of parliament and citizens of this country actively advocating the further removal of duties from such an industry.

Let us look at the iron and steel industry. The Dominion Steel Corporation furnished the agricultural implement industry with nearly 6,000 tons of steel in 1903; in 1928 that figure had fallen to less than 900 tons. The same story would apply to the Nova Scotia Steel & Iron Company. The profits of the British Empire Steel Corporation fell off more than a million dollars, or thirty per cent last year. I have before me a summary of the trade of Canada with the United States for the calendar years of 1927 and 1928. The effect of the policy of this government upon the steel and iron industry is well illustrated in those returns. For instance, the importation of iron and steel products from the United States has increased from $113,000,000 in 1925 to a total of $295,000,000 in 1928; an astounding increase. In 1925 the Americans sent $10,000,000 worth of automobiles to this country, and in the calendar year 1928 that had risen to $40,000,000. In addition to that amount they sent $48,000,000 worth of parts, or nearly $90,000,000 worth of goods in one industry alone. I say the Minister of Finance of this country has sold out that industry to the United States. The same story is told with regard to the agricultural implement industry. In 1925 we imported $6,000,000 worth of agricultural implements; in the calendar year of 1928 that amount had arisen to $39,000,000; another industry sold out to the United States. I suggest that the Minister of Finance is the greatest extravagance this country has. Any man who sells out industries with a total production in excess of $120,000,000 is a great extravagance for any country, and that is what our Minister of Finance has done.

Mr. RALSTON: Does the hon. member suggest there should be higher duties on automobiles and agricultural implements?

Mr. CLARK: I suggest that the government is possessed of the power and has the information necessary whereby every agricultural implement used in this country could be produced in Canada without increasing the cost. The cost has gone up since my hon. friend's government tinkered with the tariff three or four years ago.

Mr. RALSTON: I am still waiting for an answer to my question.

Mr. CLARK: The hon. gentleman does not need to wait for an answer; what I have given is a complete answer.

Mr. RALSTON: I asked if the hon. member would raise the duties.

Mr. CLARK I would adjust the tariff in a manner which would result in these agricultural implements and motor cars being manufactured in Canada. That would solve the immigration problem and another minister, who is our second greatest extravagance, the Minister of Immigration (Mr. Forke), might then become an asset, because then and then only could Canada have an effectice immigration policy. When my hon. friend sees the folly of importing $120,000,000 worth of goods in two industries alone, every item of which could be produced here, he will then be in a position to do some good work for his country. He cannot do it now with the policy he is following.

Mr. RALSTON: The hon. gentleman will not say whether that is his remedy; I have not heard of any other remedy except raising the duty.

Mr. MANION: We are not trying to convince the hon. gentleman.

Mr. RALSTON: The remarks seem to be addressed to me.

Mr. CLARK: My hon. friends have established the tariff commission, which might be classed as the third greatest extravagance of this country. It has been the means of dissemmating political propaganda through this country but it has been the most useless thing the country has ever seen. It costs about $120,000 per year, and there must be an additional cost of upwards of $200,000 to the companies who are dragged to Ottawa and put to the inconvenience and expense of retaining counsel to defend themselves against attacks inspired by members of parliament organized under the guise of a Consumers league. One hundred and fourteen industries have been investigated, but no constructive action has been taken by this government. It has been a mere useless camouflage, and the hon. gentleman is a party to it.

Mr. RALSTON: I am still waiting for an answer.

Mr. CLARK: You will get your answer after the next election.

One does not have to look very far to discover the reasons for the prosperity that exists in Canada to-day. The abnormal wheat crops of the past two years are something for which this government should thank Providence every night. Another outstanding reason for this prosperity is to be found in the stock market. The market value of one mine, the International Nickel Company, has risen in three short years from about $100,000,000 to $1,200,000,000. That is greater than the gross agricultural wealth of the province of Alberta; greater than the gross agricultural wealth of the provinces of Prince Edward Island, Nova Scotia, New Brunswick and Manitoba combined; and within $100,000,000 of the agricultural wealth of Your Honour's own province of Quebec. Mr. Speaker, think what it would mean if the wealth of your own province could increase twelve hundred per cent in three years. What would that mean to your province and to the country at large? Think of the prosperity that would result if the agricultural wealth of the provinces of Prince Edward Island, Nova Scotia, New Brunswick and Manitoba increased twelvefold in three years. That is what has happened with this one mine, and there is no doubt that thousands of people have reaped their total prosperity through the increase in the value of that stock. Another illustration might be the Consolidated Mining & Smelting Company. That stock has increased three thousand per cent in a very few years. The people of Canada can thank their natural resources for their increase in wealth and for the present prosperity of the country. What has this government done to assist in the discovery of these mines, to increase their production to find markets for them? The French treaty?

I am sorry the Minister of Finance (Mr. Robb) is not present, because next to giving a market of $120,000,000 to the automobile and farm implement industries of the United States, perhaps the French treaty is his greatest extravagance. Last year that treaty cost Canada $23,500,000. Our adverse balance of trade with France was $16,500,000, whereas our favourable balance before the treaty was negotiated had been $7,000,000. The Minister of Finance represented to the house that that treaty would be of value for

marketing nickel products. I take nickel products as an example. Under that treaty we sold France $19,000 worth of nickel, and that is typical of what that treaty has done for Canada. It has been one of the poorest pieces of business ever transacted by this country and one of the best for France.

While we are on the question of extravagances I might mention, apart from the purchase of a $10,000 car for the Minister of Agriculture (Mr. Motherwell) to tour Europe with, apart from the European trip which he gave his chauffeur; apart from extravagances in the constituency of the Minister of Trade and Commerce (Mr. Malcolm)—and incidentally it might be observed that the Minister of Trade and Commerce still has a duty of 30 per cent on his furniture. What are the hon. member for Weyburn (Mr. Young) and the consumers league going to do about that?

Mr. YOUNG (Weyburn): What about the duty on coal?

Mr. CLARK: Apart from the $3,000,000 wasted in tearing down revenue-producing properties in Ottawa in order to produce a tiny park, the interest on which investment is going to cost the country $150,000 a year plus the upkeep, we find another extravagance which I do not think has been mentioned in the house this year. That is an extravagance on the part of the Minister of Public Works (Mr. Elliott) in the purchase of the New Edinburgh mills. That purchase is one of the most disgraceful performances we have had with public money in this country. The purchase cost the country the sum of $525,000, and, according to the minister's own statement, it will cost $125,000 to make it habitable. It is a place hardly fit for a stable but it is to be used to house the Bureau of Statistics although it is inconvenient to members who use the bureau most of all. It is a property unsuited for residential purposes, unsuited for stores, unsuited for every commercial purpose, except possibly a warehouse or a factory, and it is very much antiquated for that. In fact it could not be used for those purposes to-day. The Minister of Public Works said that it had some water-power connected with it, I think 2,000 horse-power, but with the hydro-electric development surrounding Ottawa, any development of 2,000 horse-power, even for a particular industry, will never be undertaken again because the cost would be prohibitive. That amount of power can be bought much more cheaply from the hydro power companies or from the Hydro-Electric Power Commission of Ontario. That amount of $525,000 plus $125,000 to make the property habitable, or a total of $650,000, is money thrown away. That money might have been spent more advantageously anywhere within the vicinity of these buildings, have beautified Ottawa and have given to the public service of Canada a useful asset.

We have a new bridge up the Ottawa river. I mention this bridge because recently in Vancouver we made a request of the government for a contribution for a bridge crossing a public harbour, thereby making necessary a draw. The bridge is going to carry rail traffic, giving facilities to the Canadian National in the city of Vancouver. A small contribution was asked of this government for that purpose, and it was refused, yet a bridge for the beautification of Ottawa is built without any hesitation whatever. Where a bridge is going to serve a commercial purpose and where it is going to cross a harbour which, admittedly, is the second most important and in the not far distant future will be, I believe, the most important harbour of this country, a small grant in order to make that harbour safe is refused. Other similar instances might be mentioned.

What I have stated does not exhaust the extravagances of the government. I notice a despatch from Vancouver dated March 8 which states:

> A select committee of the legislature started out this morning to investigate the secret service liquor fund. . . . Andy Blygh, former justice of the peace in Vancouver, said he was paid $165 a month by the Liberal attorney general and part of his duties was "to anticipate the arrival and public appearance of Liberal cabinet ministers from Ottawa and Victoria and to arrange for an enthusiastic audience, plenty of hand clapping and cheering, so as to make a public impression of hearts welcome and enthusiastic reception."

I wonder how this is going to be carried on now that their allies have been ousted from power. Will the Minister of Finance grant supplementary estimates for that purpose? He got quite a good reception there last year. I do not know whether it cost one month's pay to Andy Blygh or not. We would like to see him there again and I think we would give him an excellent reception for nothing.

Mr. CHAPLIN: They say the Minister of Trade and Commerce got a better one.

Mr. CLARK: I do not know what that cost. My time is drawing to a close and I am sorry it is because I have a good deal more that I could discuss with the government this afternoon. However, before I take my seat

I should like to direct attention to the statement of the Minister of Finance in regard to debt reduction. I note that the public accounts show a debt reduction from 1922 to 1928 of some $126,000,000, and a further general reduction for the current fiscal year of $69,000,000 making a total of $195,000,000 of reduction since 1922.

I have before me, Mr. Speaker, a list of guaranteed securities of the Canadian National Railways which have not been taken into consideration in that net reduction. They amount to $327,000,000. I realize, of course, that some of those guaranteed securities were guaranteed for the purpose of refunding—in all, I believe about $150,000,000 refunded from cash and guaranteed securities.

If, Mr. Speaker, these figures are analysed it will be found that there has been no debt reduction whatever, if the same system were followed to-day as was followed up to the time when Mr. Fielding left the office of the Finance department. And I would like to point out also that year after year some of the reported surplus has been swelled by moneys, which, Mr. Speaker, were paid to this country for the benefit of widows, orphans, and men who have been maimed or suffered loss and who should have received those moneys years ago. This country now has in its possession $15,000,000 to pay reparations provided for under a treaty, claims little in excess of $4,000,000, and yet the Finance minister retains those moneys and annually permits his surplus to be swelled thereby.

I would like to appeal to the sense of fairness of the Finance minister, and to the sense of fairness of this government, that they should no longer hold these moneys, that they should no longer permit the annual surpluses to be swelled by moneys that rightly belong to men who served their country during the war, or to their widows and their orphans, and their dependents generally.

Mr. J. F. POULIOT (Temiscouata): Mr. Speaker, I have just a few words to say to my hon. friend from Vancouver-Burrard (Mr. Clark). He spoke about the Edinburgh mills. We have there the bureau of statistics from which we get very valuable information, and if he had obtained his information there instead of finding it in American magazines or publications, he would have been more accurate in his quotations.

I wonder if the house should be thankful to my hon. friend for the tip he gave us on International Nickel? I wonder if the stock will go up now. In any event, however, I entirely disagree with him on the matter. I have been telling my people that it is a very dangerous practice for them to trust to the stock market. No doubt some make money but they are the exceptions. They are few, and if my hon. friend is one of the few, I wish to congratulate him. But the vast majority of the people do not make money on the stock market.

As to the hon. the Minister of Agriculture (Mr. Motherwell), we disagree again, because I think he is one of the ablest ministers of agriculture that we have had in this country since confederation. And I am very sincere in praising his accomplishments. If Canada is prosperous to-day we owe it first to Providence, and then to the government, because Providence is acting through the government in those accomplishments.

Mr. McGIBBON: The answer is, their cup of inquity is not yet full.

Mr. POULIOT: We believe in Providence on this side of the house, and we are very glad that the good years in Canada are the years during which the Liberal party have been in power. It reminds me of what the acting leader of the opposition (Mr. Guthrie) said the other day in his very illuminating speech. He said that the surpluses at the time when the Tories were in power were much bigger than the present surpluses under the direction of the very able Minister of Finance (Mr. Robb). Well, there is a great difference. The surpluses before 1921 were made of borrowed money, and the surpluses these last few years since the Liberals have been in power are, in fact, made up of earned money. As I say, there is a great difference.

Mr. BENNETT: May I correct the hon. gentleman? The surpluses were surpluses of the consolidated revenue fund and did not include borrowed money. The borrowed money was to pay for demobilization and railways.

Mr. POULIOT: I see that my hon. friend (Mr. Bennett) is just as mixed up as his acting leader.

Mr. BENNETT: See pages 44 and 45 of the public accounts.

Mr. McGIBBON: What is a surplus, any way?

Mr. POULIOT: I did not mean to deal with my hon. friend from Muskoka (Mr. McGibbon) just now, because I hope to quote him later on.

With regard to the grading and standardization of farm products, the Minister of Agriculture the other day said:

> But the policy we have adopted has been commended by those who are buying our goods, and I am encouraged to go forward in a policy of grading.

And he added:

> I look for some measure of support, if not from my friends immediately opposite, then from the balance of the house in carrying forward this policy of standardization of the remaining articles that are the be dealt with.

I think it would be just as well to quote my hon. friend from Muskoka now. I wish to say something about dairy products, and I am very glad that he mentioned the fact that the cattle herds have been reduced in all provinces except in Quebec and British Columbia. That is why I want to quote my hon. friend.

I have the report of the Minister of Agriculture for the year ended March 31, 1928. Quebec sold 294,197 packages of first class pasteurized butter—0.6 per cent of special, 92.1 per cent of first, 7.0 per cent of second and 0.3 per cent of third. That was for 1927. That shows a large increase over 1926. In 1926, 220,528 packages wer sold in Quebec—special, 1.1 per cent; first, 88.7 per cent; second, 9.4 per cent; third, 0.8 per cent.

With regard to unpasteurized butter, I am pleased to be able to state that in 1927, Quebec sold 87,122 packages, 74.7 per cent first quality, 24.2 per cent second quality, and 1.1 per cent third quality. Ontario during the same period, 1927, sold 47,179 packages of butter—78.0 per cent first, 20.9 per cent second, and 1.1 per cent third.

Ontario, on the other hand, produces more cheese than Quebec, but I am glad to say that the province of Quebec is the banner province with regard to the butter industry.

Grading has resulted in great improvement in quality and, as the records will show, it has brought about a much more satisfactory condition for producers and manufacturers. The average price of first class butter per pound is as follows: 1923, 38·4 cents; 1924, 37·2 cents; 1925, 39·4 cents; 1926, 39 cents; 1927, 40 cents; July, 1928, 40 cents; August, 1928, 41 cents; September, 1928, 43 cents; October, 1928, 42 cents; November, 1928, 43 cents, and December, 1928, 43 cents. The price has increased since 1925, the year in which the Australian treaty came into force, in spite of what was said in this house by the former member for South Oxford, our genial friend Mr. Donald Sutherland, who spoke on the matter at great length when the treaty was under consideration. I see by my hon. friend's smile that they remember the occasion very well. At that time we were warned that Canada would become bankrupt by the operation of the treaty but as a matter of fact it has done no harm to our commerce.

The farmers in eastern Canada are complaining that the price of potatoes has gone down this year, but it should not be forgotten that the price varies according to the demand. Larger areas were cultivated and the yield per acre was greater in 1928 than in the previous years. Therefore the larger supplies depressed the price and it went below fifty cents a bushel. Not so good as International Nickel.

Mr. HANSON: Or butter.

Mr. POULIOT: Let me put on Hansard the average yield per acre of the potato crop:

Average yield of potato crops per acre

	1927	1928
(1) Eastern provinces	Cwt.	Cwt.
Prince Edward Island..	*53.2	90.5	143.7
New Brunswick..	*30.2	89.5	129.7
Nova Scotia..	*22.2	84.7	106.9
Quebec..	** 7.8	87.5	79.7
Ontario..	*21.5	58.2	79.7
(2) Western provinces			
Manitoba..	** 0.7	83.9	83.2
Saskatchewan.	**15.9	87.2	71.3
Alberta..	**25.8	104.1	78.3
British Columbia	**16.	113.0	97.0

*Increase.
**Decrease.

Press bulletin issued by the agricultural branch Dominion Bureau of Statistics, on Field Crops of Canada, 1928.

The following statement will no doubt be of interest to hon. members. It deals with the cultivated area, the yield per acre in hundredweights, the total yield in hundredweights, the average price per hundredweight and the total value of potatoes in Canada during the last four years:

	Cultivated area	Yield per acre	Total yield	Av. price	Total value
		cwt.	cwt.	per cwt.	
1925..	545,891	77.6	42,379,900	$1.97	$83,614,900
1926..	545,918	89.6	48,682,000	1.47	71,598,000
1927..	572,373	81.2	46,458,000	1.17	54,341,000
1928..	599,775	91.0	54,585,000	0.86	47,146,000

Canada Year Book 1927-8, p. 235 and press bulletin issued by the agricultural branch, Dominion Bureau of Statistics, on Field Crops of Canada, 1928.

Some years ago at a banquet tendered to Hon. Senator Beland a badly informed politician propounded this question: "How is it that in Quebec American potatoes are served

on the table?" That question was repeated by my Tory opponents in the general elections of 1925 and 1926. Let us see what quantity of potatoes Canada does export and import. Here is a comparison between the value of our exports of potatoes to the United States only and the value of our imports of the same product from all other countries, for 1928.

Comparison between the value of exports of potatoes from Canada to United States and the value of imports of the same product from every country to Canada in 1928:

Province	Value of exports	Value of imports
*P.E.I.	$ 467,065	$ 25
*New Brunswick	1,833,093	848
*Nova Scotia	17,713	8,437
Quebec	36,901	121,186
Ontario	45,471	309,260
Manitoba	5,921	17,440
*Saskatchewan	6,500	2,055
*Alberta	6,979	4,687
*British Columbia	45,971	37,791
Total	$2,465,614	$501,729

*The provinces marked by an asterisk have a favourable balance of trade. The imports include sweet potatoes which do not grow in Canada.

It will be seen, therefore, from the foregoing table, that of nine provinces six have a favourable balance of trade in potatoes while only three, Quebec, Ontario and Manitoba, have an unfavourable balance. The value of the exports of that product to the United States is $2,465,614, and the imports from all countries amount to $501,729. I will point out that this memorandum gives the comparison for the last year, as regards the value of exports of potatoes from Canada to one country only, the United States, while the imports of the same product are shown from every other country. The total production of potatoes in Canada in 1928 was 54,585,000 hundredweight, while the total imports in the same year were only 424,749 hundredweight. It means that the imports are 115 times less than the production.

I have demonstrated that the imports of potatoes into Canada from all other countries are approximately five times less than the Canadian exports of the same product to just one country, notwithstanding the fact that the United States imposes a higher duty than ours on that product. It proves also that in matters of trade high protection is not a universal remedy. Instead of wasting time praising high protection, would it not be better to find new markets for the output of Canadian potatoes? Such a policy is in accordance with the views of the leaders of the Liberal party and it would bring results.

As regards new markets, I have a statement from the Department of National Revenue with respect to Canadian exports of potatoes, by countries, during the calendar year 1928. I will give this table:

Statement of Canadian Exports by Countries of Potatoes: During the Calendar Year 1928.

Country	Bushels	Value
Barbados	21,962	$ 19,031
Bermuda	59,936	52,046
British South Africa	209	235
British Guiana	104,122	91,606
British Honduras	30	30
British West Indies, other	6,379	6,501
Fiji	500	468
Hong Kong	7,924	4,979
Jamaica	30,560	27,701
Newfoundland	237,211	148,755
Palestine	666	180
Trinidad	85,520	72,998
Alaska	74	184
China	933	573
Colombia	3,157	2,829
Costa Rica	675	446
Cuba	2,139,067	1,676,507
Miquelon and St. Pierre	21,808	12,306
Panama	95,949	54,207
Porto Rico	600	600
Philippines	698	582
United States	3,490,937	2,465,614
Totals	6,308,917	$ 4,638,378

Why is it that prices have declined in that trade? We have a great customer, our neighbour the United States. The total yield of potato crops in the United States in 1927 was 244,178,000 hundredweight, and in 1928, it was 297,391,000. The average in the United States for five years, from 1922 to 1926 inclusively was 236,266,000 hundredweight. This means that last year the crop showed a surplus of 61,000,000 hundred weight, as compared with the previous year. The price in the United States was not very high, either; according to the trade bulletin of November 17, 1928, in the northern states the crop was very good, with prices of from $2.15 to $2.25 per 180 pounds for first-class potatoes and about $2 per 180 pounds for other potatoes, which means approximately 66 cents per bushel. In this connection I noticed an interesting despatch in the Halifax Herald of January 4, 1929, coming from Hamilton, Bermuda, as follows:

> ...the House of Assembly adopted a resolution making the duty on Irish potatoes operative for the whole year instead of for ten months. It had been the custom to permit these potatoes free from Canada in October and November.
>
> The change is for the protection of the Bermuda farmer, who it is claimed can if granted this protection raise within a few years all the potatoes the island requires. Seed potatoes properly certified would still be free from duty.

That shows that there will be a continuous market for seed potatoes. Then I have another interesting despatch which appeared in the Montreal Gazette of December 10, 1928. This is from Fredericton, New Brunswick, and is as follows:

New Brunswick seed stock, although of high quality, is meeting severe competition because of the heavy yield of potatoes in all sections of the country. A considerable movement of seed potatoes took place during November with the states of Maine and Vermont taking the shipments. Other shipments are on order and will begin to move in January with others following in February and March. Virginia and North Carolina will take the bulk of that with some going to Long Island. The first of the shipments now on order amount to 15 carloads.

Fifteen thousand bushels of seed potatoes moved out previously. A price of $2 and $2.50 per barrel was paid for the best.

Then follows a despatch from Charlottetown, Prince Edward Island, as follows:

A total of 1,094,580 bushels of potatoes were shipped from this province during November, 719,250 bushels going by rail and the remainder by water from the following ports: Georgetown, 271,547; Summerside, 145,716; and Charlottetown, 58,067.

About 560,000 bushels of table stock were shipper to Ontario this season, and 150,000 bushels to Quebec.

I have here an interesting article written by Mr. D. Baribeau, of the Department of Agriculture, which appeared in a Rimouski paper Le Progrès du Golfe, under date of February 22. It is very short, and I will read it:

It may be inquired how this decrease in the potato crop of the province of Quebec can be overcome and outside competition met. Just simply (1) procure seed potatoes from certified stock (that is the main and indispensable requirement, without which you will not succeed in lowering the cost of production. Prince Edward Island sows 65 per cent of its area with certified seed stock and note the yield per acre). (2) Set aside a portion of land in order to maintain the yield of certified seed stock at its maximum. (3) Reduce the sown area, have a better prepared soil and make use of chemical fertilizers. (4) Sow the variety or varieties which the market demands. (5) Spray thoroughly with Bordeaux mixture. (6) Uniform grading of the varieties which are the most popular on our markets.

Now, Mr. Speaker, may I point out to this house the importance of this trade, which is of interest not only to my province or my section of that province but to all the provinces of Canada, because farmers everywhere grow potatoes. Although I am not a technician in this matter I will take the liberty of submitting some proposals which would perhaps improve not only the production, but also the sale of potatoes. No farmer in my constituency would ask for potatoes the price that was paid during the war owing to peculiar circumstances; they would be very well satisfied with an average price of $1 per bushel, and I think the consumer could not complain of that price. First I would ask the Minister of Agriculture to see if something could not be done in regard to the grading of potatoes, because it is very important that different grades should not be mixed. You may have a very good brand of potatoes, but if they are mixed with other potatoes they cannot be used as seed stock. That is my first point, and my second is that potato sheds should be built at railway stations by the provincial governments. The government of Quebec had this in view for some time, but the idea was finally abandoned. I think this proposal should be revived, because if there are sheds built something like the grain elevators, although not so large, where the potatoes could be placed and where Green Mountains, for instance, would not be mixed with Early Roses, it would be a great advantage to the farmers, and I believe our provincial governments should undertake that work.

My next point is that there should be a reduction in railway freight rates and also in maritime rates, because if we are to get new markets it must be made easier to ship our products to those markets. I take this opportunity of thanking the Minister of Agriculture, the Minister of Railways and the officials of the Canadian National Railways for what they have done in that direction. One cannot forget that the government does everything possible for the farmer.

My last point is that we should promote the organization of cooperative societies for the exportation of farm products. It is very hard for a single farmer to send his products to Hong Kong, Bermuda or anywhere else abroad; there must be something in the nature of a cooperative movement by which the farmers may be brought together. This might be done by means of the agronomists who are employed by the provincial governments; there are two of these gentlemen in my county, very able fellows, and I think they might organize cooperative societies and also try to locate new markets for farm products, especially potatoes. I believe if this plan were carried out it would be of great advantage to our farmers. This system has been put into force already; a cooperative movement has been organized, under the direction of the provincial agronomist in connection with maple products, at Compton, Quebec, as published in L'Action Catholique of February 7th last.

I have another article here by a professor at the university of Fribourg. This does not deal with potatoes, but covers general co-operative associations for the exportation of farm products. This method of procedure has been carried out in New Zealand in respect to dairy products, and it has been shown to be very successful. Under the circumstances, I hope the federal and provincial governments will continue to do what they can to relieve this situation.

What has the Department of Agriculture done with regard to the dairying industry? We have cargo inspection, iced butter car service, iced cheese car service, dairy news letters, dairy market intelligence, subsidies to cold storage warehouses, creamery cold storage bonuses, research in dairying, the excellent administration of the Dairy Industry Act and milk utilization service. There is a useful cold storage warehouse in my county, which has been operating very well. I hope that what has been done for the dairying industry will be done for the potato growers and that both will be equally successful in the future.

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I desire to congratulate the hon. member for Temiscouata (Mr. Pouliot) on the amount of research which he has evidently made in the preparation of his speech. I am sure when all these figures reach his constituents that they will be very much elated at the effort he has made. I was struck with the tribute which he paid to the Minister of Agriculture (Mr. Motherwell) in connection with the prosperity which is alleged to be prevailing in this country. He put the Minister of Agriculture (Mr. Motherwell) on a pinnacle and it was a long time before I could understand why he was doing it. But in the latter part of his speech the nigger in the wood pile appeared; the Minister of Agriculture and the Minister of Railways (Mr. Dunning) have given the farmers of Temiscouata, Rimouski and Bonaventure counties a special freight rate on potatoes—that is the reason we have had this paean of thanks to the Minister of Agriculture this afternoon. If the Minister of Agriculture is entitled to all the encomiums which the hon. member has given him this afternoon, then I can only say in words of the poet Cowper:

> God moves in a mysterious way
> His wonders to perform.

I am sure the Minister of Finance (Mr. Robb) will not expect me to waste any time on empty compliments to him. I intend to devote a few minutes to some general observations on his budget, but before I do so I want to take this opportunity of placing on record my appreciation of the magnificent speech which was made by the hon. member for South Wellington (Mr. Guthrie) on Thursday last. I have been a member of this house for some eight years and I think I can truthfully say, and I believe hon. gentlemen on both sides of the house will re-echo the statement, that there has never been a more forceful, clearer or more courteous exposition of the budget made by an opposition critic, and we have had some very able opposition critics during those years. I hope that the message contained in that speech will not only get across the floor of this house but get across to the people of this country. It would do a world of good if that could be the case.

With all due respect to the Minister of Finance, for whom I entertain a very high personal regard, I would say that during the six years he has occupied the position of either Minister of Finance or acting Minister of Finance, we have never had a real budget, such as the term is understood in England, on the financial condition of this country. Budgets may be viewed from two or three aspects. We have had a resume of the country's business for the preceding year; we have had certain taxation proposals and readjustments, but we have never had in any one of the budget speeches which he has delivered a straight categorical statement of the fiscal policy of this country, or any policy upon which the business men of Canada could build for the succeeding year. Apparently the Minister of Finance considers that there is only one aspect to a budget; a mere tabulation of fiscal and trade figures. Viewed in that light his budget is clear and illuminating, and to that extent he is to be congratulated, but from the standpoint of its being a disclosure of public policy it is as disappointing as it is gratifying on the former count. We have never had from him any estimate, based on announced fiscal policy, of the result of the nation's business for the ensuing year; we have never had submitted to us in any one year a true balance sheet of the country's business. Any hon. member who is interested in corporations knows that there are many ramifications in business; that many companies have subsidiary companies, and it is invariably the custom that every company submit annually to its shareholders a consolidated balance sheet, not only of the parent company but of all the subsidiary companies. We are the owners of the entire issued capital stock of the Canadian National railway system, and I believe it is the duty of any Finance minister, no matter what his predecessors may have done in that regard, to submit annually to the people of Canada a

consolidated balance sheet which will take in the assets and liabilities of that great system. We have not had that from the minister, and that is one of the things for which I think he is to be criticized.

Why was this budget brought down on Friday last? Some wag on this side of the house has said it was because there was no meat in it. There was some meat in it, as that, of course, was only by way of a passing joke. Undoubtedly the Minister of Finance was anticipating the inaugural address of Mr. Hoover. Mr. Hoover has delivered that address and it is now an assured fact that he will implement his promises by both executive and congressional action. Friday's papers announced that congress had been called to meet in a special session on April 17th. The call for a special session of congress proposes legislation for agricultural relief and limited changes in the tariff. The proclamation says:

> These matters cannot, in justice to our farmers, our labour and our manufacturers, be postponed.

Those are very significant words for the people of Canada. We may expect, and undoubtedly we do expect, that tariff schedules aimed directly at the agricultural production of this country, if not against other production, will be the direct result. What is the attitude of this government? We do not know. If we are to judge from the statements of the Minister of Finance in his budget speech; if we are to judge from the veiled references in the minister's statement, the administration intend to adopt a policy of "watchful waiting." That is the policy which destroyed Mr. Asquith, and let me tell the Minister of Finance that that policy will destroy him and his government. Are we not entitled at this juncture to something more specific than the veiled references contained in the speech of the Minister of Finance? Is there in this country anyone, aside from the blind partisan followers of the government, who can view with composure such a declaration of "watchful waiting"? Is there anyone who believes this government, when they are actually confronted with the situation which will undoubtedly arise in the next few weeks, will rise with the weapons that are available to meet that menace? I use those words advisedly, because the action of the United States congress will be a menace to this country and it is up to our people to protect themselves. If there is any doubt upon this point, an analysis of the budget speech of the Minister of Finance, shows that he makes one specific declaration which to me at all events is very significant. I refer to his statement that—

> The policy of this administration is not a high tariff policy; it is a low tariff policy.

When he nails his colours to the mast on a low tariff policy he turns his back upon the only effective weapon he can use against the menace to which I allude. In other words, he has wiped out from under his own feet the only ground upon which he can effectively stand when the time for action comes. Such a declaration indicates to me but one thing—the unwillingness of the administration to use the only weapon at its command, namely, the application of the principle of protection. The situation cannot be better met than by the method indicated by the acting leader of the opposition in his speech in the house last Thursday. As reported at page 757 of Hansard, He said:

> So far as I can see, any difficulty that may possibly arise in the future can be completely overcome by action on the part of this government and of this parliament. We have nothing to fear in Canada in this respect, though I grant that we are going to reach as last a situation—if things develop as I anticipate they will—in which we must introduce into the tariff of this country, to protect our own people, that element of protection which the Canadian tariff does not now afford.

On the next page he advocates:

> A radical change in our fiscal policy will soon be necessary; the government must face this situation. They can do it; we know what we can do in this country; we have everything at our disposal. Do not let us have stage fright and do not let us feel any over-anxiety in regard to the matter. The matter rests entirely in our own hands. All can be put right, and if this government does not put it right another government will take its place in the very near future.

Does anybody believe—and I say this with respect—that the Prime Minister, in view of his well known past history, in view of his well known affiliations of the past, in view of the fact that for years he has advocated and when in power has put into execution a policy which has made for the peaceful penetration of the business of this country and the absorption of its industries and natural resources by United States capital, will do anything to protect this Dominion? Does anybody believe that the Minister of Finance, a low tariff man, will willingly use the only effective weapon at his command? Rather shall we not see again the spectacle of the government turning the other cheek in the face of hostile United States tariff schedules? Time only will tell, but a policy of "watchful waiting" should not be the declared policy of this country at this

juncture. A declaration of virile Canadian independence ought to have been made in the fiscal budget. Such a course would have won the respect of and, I fully believe, would have been heeded by those now framing the proposed tariff schedules for presentation to congress.

The Minister of Finance in his remarks spoke of the optimism which is now obtaining in Canada, and I agree with him there is optimism. We have always been optimistic; those of us who believe in this country are optimistic and I associate myself with what the Minister of Finance said in that regard. But there is a vast difference between optimism and prosperity. The one is the hope, the wish for things yet to come; the other is an accomplished fact, and I deny absolutely that there is universal prosperity in Canada. If anybody does not believe me, let him come down to New Brunswick and mingle with the agriculturists and industrial people of that province. Last year we had tinkering with the tariff schedules; we had readjustments of the tariff, and the effect of those readjustments on the cotton industry in my constituency robbed the operators in that industry of eight per cent more of their labour and wages. In other words, they are receiving eight per cent less than they did the year before. They have been on short time practically every year since he and his government came into power, and to-day in the cotton industry, in the cotton mill town in my constituency the operators are feeling the direct pinch in the lack of wages. That has been the result of the minister's interference with the tariff schedules.

In reference to the agricultural population, we grow more potatoes in New Brunswick than in any other part of the Dominion of Canada. Can there be prosperity among the agriculturists of New Brunswick with potatoes at thirty cents a barrel, which was the price payable for potatoes in my province just prior to my coming to Ottawa The farmers of New Brunswick are going bankrupt; you cannot prate about prosperity to a farmer who cannot pay his fertilizer bill. That state of affairs is not by any means confined to New Brunswick. A similar state of affairs prevails in Prince Edward Island, Cape Breton, Nova Scotia, anywhere you like, and before I conclude my remarks I shall have something more to say about the potato business.

I do not intend to refer at any length to the dairying industry and to the losses which our farmers have sustained by reason of the importation of so much New Zealand butter. But would you believe, Mr. Speaker that to-day we are eating New Zealand butter in the restaurant of the House of Commons? I know the Ottawa Dairy Company imported six carloads of it within the last few weeks. That is butter that should be produced and sold by Canadian farmers. I believe the Minister of Finance made the greatest slip in his whole history when he put through the Australian treaty and forgot about New Zealand and its right to come in under the provisions of that treaty.

Mr. CHAPLIN: They deliberately added New Zealand afterwards by order in council.

Mr. HANSON: While I am speaking about optimism and the condition of our farmers, I should like to refer to the delay of now nearly two years in putting into effect the Farm Loan Act that was passed by parliament in the session of 1927. Everybody knows that that legislation was put through the house and the act brought into effect with the greatest reluctance on the part of the Minister of Finance; that it was put through at the behest of the western farmers who, at that time, had a real need for such legislation. The scene has changed; a few good crops have obviated the necessity for the application of that act in the west, so far as I have been able to learn—

Some hon. MEMBERS: No.

Mr. HANSON: —but the necessity for the act in the east is most imperative and it is nothing short of an outrage that two years have been allowed to go by without the will of this parliament having been put into effect by the Department of Finance. I make no criticism of the appointment of Doctor MacLean as chief of the Canadian Farm Loan Board. I am told he is a good man. It may be that political pressure was brought to bear upon the minister to appoint him. I do not make any such charge, but what I do complain about is the delay in putting the act into effect in the province of New Brunswick, which accepted it from the very beginning. And I want to go a step further and say that there have been a good many complaints among the farmers in New Brunswick because they could not get the benefits of that act. We have in the province of New Brunswick to-day, organizing for the Liberal party, a gentleman who was formerly a Progressive member in this house, a loud-mouthed member, who sat here in the front seats year after year; and he had the audacity to go around the province of New Brunswick and say that the Farm Loan

Act had not been put into effect there because the provincial government had not requested it. The Minister of Finance knows that is not so. He knows the provincial government accepted it from the very beginning, and they are anxious and willing to have it put into effect. I myself have had applications from—I was going to say hundreds, but I will limit it to dozens of farmers, who find themselves in the position where they must have relief or go into the bankruptcy court, and I ask the minister to put that act into effect in the province of New Brunswick at the earliest possible moment.

Mr. ROBB: May I reply to my hon. friend now on that point? We will put it through just as soon as the provincial legislature passes its corresponding legislation.

Mr. HANSON: He laughs best who laughs last. I am informed by the Attorney General of that province that the legislation to which the minister refers was put through in 1928.

Mr. TOTZKE: It is only March yet.

Mr. HANSON: That is twelve months. How long does it take to make this great body move?

I wish to say a few words with respect to the national railways, I do not want anyone to say that I am an enemy of the Canadian National railway system. I had the honour for ten years, from 1911 to 1921, to be general counsel for the Canadian National Railways in the province of New Brunswick. I devoted a very large portion of my professional time to their service, and I think the Department of Justice will say that I won more lawsuits for them in New Brunswick in that period of time than all the ten thousand dollar counsel they have employed since.

Much of the railway history that was given by the member for South Wellington in his illuminating address last week was news to me. I was not a student of what took place in this house in 1919 to the extent of going deeply into the political events of that time. But I have had occasion to verify some of the things the acting leader of the opposition said, and if all he said is true, as I believe it is, the attitude of the present administration with respect to the national railways—save and except the Minister of Customs (Mr. Euler), who ever since he came into this house, and even before, has been a friend of the national railways—the attitude of the present administration in respect to the national railways is one of pure effrontery. Go back to 1919 and read the records for yourself; read the part that was played by the Minister of Finance. I wonder that he does not often blush at his action of that day. If you want any confirmation of the attitude of the Liberal party go to the session of 1922 when the railway estimates were under consideration in this house and read what Mr. Walter G. Mitchell, then member for St. Antoine division of the city of Montreal, said in a prepared brief on this very question in which he condemned the action of parliament in nationalizing the railways. Mr. Mitchell on that occasion, if I remember aright, made just half a speech. He got to the point where he condemned the action of the government, but he had no alternative proposal to offer. The Liberal party accepted that brief. It was their only attitude, it was the only policy they ever had—and again I want to except the Minister of National Revenue, because I heard him stand up against his own party in respect to this very matter, and I want to give him due credit for honesty of purpose.

When the party opposite were confronted with the responsibility of power, however, we had a change of attitude. We had the adoption of the policy of "fair trial," and I congratulate them upon their change of heart. It is very difficult, I know. It is very difficult in domestic life to take in an orphan child and treat it as your own. So far as they have done so, however, the government are to be congratulated upon having given the railways a fair trial—if they have done so. But I want to make the assertion right here that the government, at all events certain portions of the government, have not been free from political interference in the matter of the operation of the Canadian National railways. They have said that they have taken the administration of the railways out of politics. Well, perhaps they have. I hope they have. So far as I can speak as a member of parliament, I sincerely hope that the administration of the national railways is out of politics. But there are so many evidences accumulating on every hand that they are not out of politics that one begins to wonder at the good faith of the declaration of the government. If I were to go down to the city of St. John I could show you a defeated candidate who takes upon himself the burden of saying who shall be appointed as sectionmen on the national railways in that city.

Mr. BENNETT: One of the ministers sent a telegram dismissing one.

Mr. HANSON: You will find that the most petty positions are under the thumb of Mr. Ryan, the defeated candidate in the city of

St. John; at least, he arrogates to himself that position. I am not going to say anything more about that, but it is petty to say the least.

I have in my hand, however, concrete evidence of direct political interference with rate-making on the Canadian National railways, and if I wanted any corroboration of it, I find it in the speech of the hon. member for Temiscouata. In the St. John Telegraph-Journal of last Friday, the 8th of March, there appeared an editorial based on an interview with the chairman of the transportation commission of the maritime board of trade. This editorial is headed "Unjust Discrimination," and I commend it to the Minister of Railways, who, unfortunately, is not in his seat. I also commend it to the Postmaster General (Mr. Veniot) who will please bring the matter to the attention of the Minister of Railways. The St. John Telegraph is a journal which once thought very highly of the Postmaster General; in fact, I think it does so yet. I quote it to him:

In granting special emergency rates on potatoes to shippers in the Matapedia valley—

Please note that the Matapedia valley is that portion of the province of Quebec comprising the counties of Rimouski and Temiscouata, and possibly the county of Bonaventure. I think it would be fair to say that Bonaventure is included in it. It goes on:

—without extending similar reductions to dealers in the maritime provinces, the management of the Canadian National railway committed an act which has been interpreted as unjust discrimination against the shippers east of the Quebec province boundary. While the reduced freight tariff was put into effect, according to a note on the face of the tariff, "to assist in meeting adverse agricultural conditions temporarily in the limited section from which it is applicable," similar conditions have been troubling the potato shippers of New Brunswick, and consequently they should have received the same consideration as did their neighbours in the province of Quebec.

Why the Canadian National railways should mete out one kind of treatment to an agricultural community on one side of the Quebec-New Brunswick border, and deny the same treatment to those residing on the other side, and being in a similar plight, is more than the people of New Brunswick can understand.

Will the house please note this:

The railway made the keeping of the reduced tariff in force contingent upon there being no objection to it from other localities. In other words, they shifted the responsibility for its cancellation onto the shoulders of the potato growers and shippers of New Brunswick and of other places who might disagree with the favoured treatment accorded the Quebec potato men. This is unjust, and has placed the maritime potato shippers in an awkward position—if they object, they lay themselves open to a charge of having injured their fellow potato dealers in another province—if they hold their peace, they must face a discriminatory freight rate against them.

The logical and only fair solution of the question lies in the Canadian National railways maintaining the reduced rate to the potato dealers in the Matapedia valley and extending it to those of the maritime provinces.

This afternoon we had public thanks given by the member for Temiscouata to the Minister of Railways and the Minister of Agriculture for their action in getting that reduced discriminatory rate in favour of the potato growers in the Matapedia valley and against the potato producers of the province of New Brunswick. They are told: If you object to this rate being given to the Matapedia valley potato growers we will cancel it. In other words, they place on New Brunswick the burden of saying: You have been unjust to us and have favoured Quebec. I do not blame the member for Temiscouata for asking for that reduced rate. There is a distressed condition among the potato growers in eastern Canada, but we are ten times more entitled to a reduced freight rate in Prince Edward Island, New Brunswick and Nova Scotia than they are in the province of Quebec, because we are just that further away from the Montreal and Toronto markets. When the railway does that and attaches the rider that I have read, I think the situation is almost hopeless. I lay the charge, believing it to be true, that political interference has brought about this special rate, and that it was granted at the instance of the federal members from the province of Quebec working through the Minister of Agriculture and the Minister of Railways.

Mr. POULIOT: May I correct my hon. friend? The request was made by the Department of Agriculture of Quebec.

Mr. HANSON: All right; it is political action again, and it makes the situation worse. I am glad to have the admission. Representations indeed were made through a certain channel by the hon. member for Temiscouata. If he was alive to his responsibilities as the federal representative for Temiscouata it was natural for him to do what he believed to be his duty when he requested that special rates be given in the circumstances; but I object to the discrimination against the people of my province, and the government have not heard the last of it, neither have the management of the national railways.

Mr. MacLEAN (Prince): My hon. friend I believe would like to be fair. There is a special rate to the other provinces.

Mr. HANSON: Certainly I want to be fair, but the hon. gentleman does not know what he is talking about. I hold in my hand the report which appeared in the St. John Telegraph-Journal, which quotes verbatim a part of the order. It reads as follows:

> This emergency tariff is issued to assist in meeting adverse agricultural conditions temporarily prevailing in the limited section from which it is applicable and expires with April 30th, 1929, unless sooner cancelled, changed or extended.
>
> In reply to a query from Mr. Paterson as to whether the same reduction could not be made applicable to maritime shippers, Mr. Cornell wired as follows:
>
> "Canadian National advise that rates were made from Matapedia valley under distinct understanding that same would be cancelled if any opposition were made by other shippers, and will not make any change in maritime rates."

So the hon. member for Prince does not know what he is talking about—unless it is something that has taken place since last Friday. Perhaps he has got something for his constituency?

Mr. MacLEAN (Prince): No. The rate was put through over a month ago and was published by the national railways. It is applicable to the three provinces. If this is a further reduction, I am willing to be corrected.

Mr. HANSON: This is a special privileged rate. Let me quote the following for my hon. friend's benefit:

> The reduction is applicable to potatoes shipped from
>
> L'Anse a Giles, Matapedia, Mont Joli, Montmagny, Rivière du Loup, St. Alexandre, St. Andre, St. Charles, Ste. Florence, St. Francois, Ste. Louise, St. Pacombe, Sayabec and Tobin, all in the Matapedia valley.

Mr. POULIOT: Is my hon. friend against that reduction?

Mr. HANSON: No, I made that quite plain. I am against the discrimination. Not only am I against the discrimination, I am against the political interference with the national railways. I would not think of asking Mr. Appleton to put in a special rate for the county of York-Sunbury. I know he would turn me down; it would not be wise for me to make the request.

Mr. POULIOT: When there were freight rate reductions for the maritime provinces, was there discrimination?

Mr. HANSON: Well, my hon. friend got his share of it.

Mr. SINCLAIR (Queens): Will the hon. gentleman give the date when the rate went into effect?

[Mr. MacLean.]

An hon. MEMBER: He has already given it.

Mr. HANSON: I will give the hon. gentleman the date. But I have only five minutes more at my disposal, and I do not want to be interrupted if that is the object.

Mr. SINCLAIR (Queens): No, I simply want the information. Perhaps the hon. gentleman will give the date of the newspaper despatch.

Mr. HANSON: March 8.

An hon. MEMBER: He gave that before.

Mr. SINCLAIR (Queens): I thought only one hon. member was speaking from the benches opposite.

Mr. HANSON: One at a time is quite enough.

Mr. SINCLAIR (Queens): Hear, hear.

Mr. HANSON: One of the professed policies of this administration is the development of inter-empire trade, and with that policy, generally speaking, the Conservative party is in hearty accord provided always—and I want to emphasize this proviso—that such a policy does not involve the sacrifice of any basic industry in this country, such as has happened as a result of the Australian treaty and its effect on our dairy industry. But in the light of this declared policy, what is to be thought of the recent declaration of Sir Richard Squires, Premier of Newfoundland, who recently visited this country, and who in a newspaper interview is reported to have said, in effect, that he found Canada cold to any proposals for closer trade relations? What underlies this statement? A declaration from the Minister of Trade and Commerce (Mr. Malcolm) would seem to be in order. Newfoundland is one of the oldest British colonies, and is one of our nearest neighbours. We have a large trade with that colony now. There is no reason why we should not have it all. But Sir Richard Squires went to the south of us and got a cordial reception, and before we know it he will have negotiated a trade treaty with the United States that will be altogether to the detriment of Canada, as happened once before.

Connected closely with this question of inter-empire trade is the question of trade generally with the countries of the West Indies and central and south America. I had the good fortune to visit thirteen West Indian and central and south American ports during the month of January last. Primarily the trip was a holiday, but I had the good fortune to have with me letters of introduction to the

various managers, inspectors and supervisors of the Royal Bank of Canada, that great Canadian financial institution which has such extensive ramifications in all those countries. Being keenly interested in the development of trade with these countries, especially as such development may tend to the betterment of the welfare of the maritime provinces, I sought and obtained a great deal of valuable information.

I do not venture to go into any detail in regard to this important subject—time will not permit—but I have one constructive suggestion to make. With the Latin-American countries there is an abundant opportunity to conduct a large and profitable trade, most of which to-day is going to the United States. I found that business men in these Latin-American nations cordially detest the United States and would be delighted to open up new trade channels with Canada, but there is no point of contact save and except through the medium of the bank.

I was told that what is required at the moment are some live trade commissioners who have a competent knowledge of the Spanish language, I commend that suggestion to the minister. That is what the banks do; as far as possible, they train these men before they go there, and on their arrival they rapidly learn the language and become a valuable asset to the banks. I met Mr. Young, our trade commissioner at Port of Spain, Trinidad. I have no doubt that he is doing a good work there, but if one has visited that part of the world one will realize how great are the distances between the various ports and islands and how difficult is communication. Intercommunication between these ports and islands is very slow. Transportation converges on New York or Canada, and one man cannot possibly cover the whole territory. I suggest therefore the appointment of a competent trade commissioner at Panama, which is the pivotal point and now the most important port on the great highway from North America to South America. Advantage should be taken of the ramifications of the Canadian banks which are located at all these important points. They are willing, indeed eager, to assist in the creation of Canadian trade in this region and I commend this suggestion to the Minister of Trade and Commerce.

Like my friend the hon. member for Fort William (Mr. Manion), I have a suggestion to make to the government, which is this: In view of the impending special session of the United States congress called to meet on the 17th of April and the certainty almost of further tariff changes sure to affect adversely Canadian trade with the United States, I suggest to the government, and to the Finance minister especially that this budget be not closed—I do not mean to keep the debate open; God forbid, but I suggest that it is possible to devise some means whereby, after the tariff proposals presented to congress in special session have become known, this parliament at this session may be prepared to take and do take, action to protect our position. If you let it go a year it will be too late. That is my word to the Minister of Finance.

I have had large dealings, covering many years, with United States business men, and I find them among the keenest and most honourable business men in the world. At the same time they are hard bargainers, but they respect always the Canadian business man who stands up for his rights and who meets them squarely and on equal terms. I fear that the same cannot be said for the average United States politician, but I have no doubt that if this country meets the situation about to be created, resolutely, firmly and with a determination to protect Canadian interests, we shall at once obtain the respect of that nation and bring them to a realization of the fact—and they are already realizing it, if one is to believe what was written only a day or two ago in the Wall Street Journal and New York Evening Post—that they cannot afford to alienate trade with their best customer. I say therefore to the Finance minister that he should not close the budget proposals, and that if necessary this house should be adjourned, if other business is not available, and reassemble with the idea of dealing frankly and adequately with the situation that is bound to be presented. The Canadian people will expect any government charged with administration of our affairs to meet this situation resolutely and courageously, and if this government does not do it the frowning disapproval of the Canadian people will be manifested immediately and a new government, prepared to face the situation courageously by and through the means that are easily available, will carry out the will of the Canadian people.

What is there in the budget proposals of 1929 which makes provision for reasonable safeguarding and protection of the interest of this country, either agricultural or industrial? Absolutely nothing, and at a time, if ever there was a time when the agricultural and industrial interests, the interests of employer as

well as of employee, should be safeguarded and protected. This party to which I have the honour to belong is therefore amply justified in bringing forward such an amendment to the budget as has been proposed by the hon. member for South Wellington and I heartily give my assent thereto.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, may I ask the attention of the house for a few moments this evening? Notwithstanding all that has been said by hon. members opposite, I consider this country fortunate in having as its Minister of Finance a gentleman of the calibre of Hon. James Robb. The budget which he presented on March 1 is a model of precision; I congratulate him on its presentation. It's substance should gladden the heart of every Canadian. It is most encouraging to think that after meeting all our obligations, in six years Canada has been able to reduce her national debt by over $226,000,000.

The vision of the Minister of Finance enables him to view this country as a great estate, a goodly heritage in the form of a big farm, placed in his charge under a heavy mortgage resulting from the war, and after being exploited by those who seemed willing to do almost anything to retain power and position. Like a thrifty parent with the lasting welfare of a large family at heart he realizes the wisdom of paying off the mortgage before dividing his property. His family is large; their names are agriculture, forests, mines, fisheries and numerous additional secondary births many of which have grown great and vigorous through the support of the eldest son, agriculture, but which persists in asking further nourishment from the same source. This eldest son, agriculture, has been a most dutiful and industrious child; he has toiled and spun; he has sacrificed and given of his substance for the whole family, and no one knows this better than the Minister of Finance. If it were not for the continued stamina of this eldest son the whole family fabric would fall to pieces. But there is some indefinable thing called high protection standing in the way, placed there by a group of trustees into whose keeping the property was confided some years ago, with disastrous results. This doctrine of protection somewhat blurs the vision of the minister and prevents him from seeing as clearly as he might. His eldest son, agriculture, is continually endeavouring to appeal to his reason, trying to make him see a little more clearly, but the blur still continues. In that respect his senior partner, the Prime Minister, has no misgivings; his vision is as clear as the noon-day sun. He knows what should be done, but he also realizes that it is not what any great statesman thinks ought to be done, that it is not always wise to attempt at the moment, but rather what step in advance can be taken and carry your countrymen with you.

There is a further difficulty in the way; the same party which fastened that vicious principle upon the economic life of this country is still lurking around the corner always ready to raise the tariff as high as Haman's gallows, as they did on July 13, 1926, the very moment they were sworn in. Moreover, that party now has at its head a brilliant and astute leader whom I greatly admire and whose political ebullitions throughout Canada last year require some consideration. I admire his amazing energy and the spirit with which he endeavours to revive a protective policy which has been rejected by the people of Canada no less than seven times since the beginning of 1896—

Mr. BENNETT: And which is still in force.

Mr. McMILLAN: —and which was given such a cold shoulder at the Winnipeg convention that they were afraid even to mention the name "protectionist," and where their resolution on trade policies was an emasculated expression disavowing the very name of protection. After having taken such an attitude, and more particularly after their milk and water amendment to the budget last year, why do they not come out boldly and repudiate the whole system? If they would only do that they would be on solid ground and might attain some healthy growth, but instead the old protectionist horse is trotted out once more. It came into sight very clearly the other day, with the leader of the opposition holding a string around its neck and his leading lieutenant hanging on by the tail.

Immediately after the close of last session the leader of the opposition went to Toronto and told his Tory stalwarts that the King government were imposing such a burden of taxation on this country and were so utterly extravagant, particularly with respect to undertakings designed to please their friends, that nothing but an aroused public opinion would remedy the situation. If only he had told his supporters that the King government

were standing like watch-dogs guarding the public treasury against the attempted raids of himself and his friends it would have been nearer the facts. Every member of this house knows that when we were considering the estimates last year, hon. gentlemen opposite were always asking for increased expenditures; during the course of one day no less than seventeen hon. gentlemen opposite demanded increased expenditures, while just the other day they were highly indignant because this government would not immediately embark on a highway policy which would lead to the expenditure of $200,000,000 or more.

It is well known that the Department of Public Works is necessarily one of the great spending departments of the government; this is due to the necessary expenditure of money on dredging and other works to provide further canal and harbour accommodation and also to the construction of public buildings and other requirements brought about by the increasing needs of a young and growing country. The expenditure upon public works should bear some relationship to the growing trade of the country. During the fiscal year ending March 31, 1914, when our Conservative friends were in power, the foreign trade of Canada amounted to $1,074,000,000, and $27,991,000, or 2.7 per cent of the total foreign trade, was expended upon public works. During the last fiscal year, when the foreign trade of Canada had increased to over $2,359,000,000, this government expended upon public works, not $27,991,000 as their opponents had done, but only $17,408,000, or less than three-quarters of one per cent of the foreign trade of Canada as against 2.7 per cent under Tory rule. That is a striking instance of the manner in which this government is husbanding its revenues and exercising the strictest economy consistent with efficiency in control in one of the great departments of the public service of Canada.

After the hon. leader of the Conservative party left Toronto he went down to Quebec and the maritimes to enlighten the people in that part of the country. At Knowlton, Quebec, he exhorted the good women of that province to study politics, and then he proceeded to say:

> Who is there that does not believe that if we had reciprocity with the American people we would have long ago have lost our identity and been absorbed in and by the United States?

I wondered if he had lost all his common sense when he made an unguarded statement of this kind in a province where absorption with the American people would mean the loss of their long-cherished official language. But he proceeded to say it was a shame that the home markets of the farmers of Canada had been taken away from them and given to the farmers of New Zealand and the United States. As a Canadian, Mr. Speaker, it is humiliating to me to think that the leader of a great political party would hand out such mental trash to intelligent Canadians. Does he not know that the Liberal trade policy of gradually reducing tariff restrictions upon all necessaries, together with reciprocal trade, not only with our neighbours but with the whole world, are the two factors which will tend to build up a permanently successful agriculture and encourage industry, shipping and international trade? Does he not know that Canadians have become world citizens? Does he not know that Canada has emerged from doing business on the back streets and has opened her stand upon the great international business highways of the world? Canada can no longer continue to live within herself. The manufacturer in this country who within the next five or ten years, if a Liberal government is in power, does not realize that he must cater to the world's trade, will be a back number.

An hon. MEMBER: They will not be in that long.

Mr. McMILLAN: With fewer than 10,000,000 people we now stand fifth among the great commercial nations. Our increase in international trade since 1913, and more particularly since 1921, is simply marvellous. Our per capita trade is more than double that of most countries. Situated in such a pivotal position between the orient and Australia and New Zealand on the one hand, and the old world markets on the other, with two highly equipped lines of transcontinental railway, with such a wealth of still largely undeveloped natural resources, and the highest quality of production, our watchword ought to be to scale down gradually our needless trade barriers and go forth to win in open competition with the world. We are competing successfully with the world to-day and there is no good reason why we cannot continue to fortify and improve our present favourable trade position. As Sir George Paish, the British economist, has said:

> Unless the United States and many other nations cease telling their people to sell here but don't sell there, the world will, sooner or later, suffer an economic cataclysm which no country will escape.

If we are to be worthy of fully appreciating our great possibilities it is our duty to scale down gradually all needless trade bar-

riers and let Canada lead the way. Hon. gentlemen opposite would have this country again go through the humilitating experience it suffered between 1878 and 1896 under the national policy.

An hon. MEMBER: You have that yet.

Mr. McMILLAN: That policy inaugurated eighteen years of stagnation in Canada, with trade dead, debt increasing, population at a standstill, immigration reduced to a minimum and migration at full flood, the greatest period of migration from Canada, more particularly to the United States. It was the dreary, hopeless period of Canadian history. During the eighteen years in which that policy strangled Canadian development, our total exports increased from $79,154,678 to $116,314,543. During the single month of July, 1927, our exports totalled $80,770,925, and in the month of July, 1928, the total was $127,368,623. The increase of July, 1928, over July, 1927, was more than $9,000,000 greater than the entire increase in exports during the whole eighteen years under the national policy. The paralyzing influence of those eighteen years of high protection in Canada should never be forgotten. Canada has never yet shaken herself entirely free from the blighting effect of that policy, and I urge upon this government that its duty is to proceed more rapidly along the lines of a well-considered tariff reduction. The danger cry has always been: Oh, we need the revenue; we must be careful. That argument can no longer be used. Every successive tariff reduction has verified our opinion in that it has yielded a greater revenue. I urge them again that we can do this kind of thing only in periods of good times. We cannot do it in times of adversity. Now is the golden opportunity and we should be taking advantage of it. Apparently, however, they seem inclined to mark time.

Mr. COOTE: Is this the time?

Mr. McMILLAN: It may be wise. I do not know what the special session of the United States congress will do; I am no prophet, but I know President Hoover has never shown himself to be a foolish man. There is no doubt he has a most friendly feeling towards his northern neighbour. He knows Canada is his best customer. He knows, further, Canada has a standing offer to his government of reciprocal trade in food products. He knows that 66 per cent of the United States people live in incorporated towns and cities and desire a lower cost of living. In our own particular lines Canada produces the finest quality of foodstuffs in the world. He also knows there is a decided shortage of fresh meat products for the domestic requirements of his own country. In 1927 there was a deficiency of more than 400,000,000 pounds below the previous year's production and in 1928 there was a further deficiency of some 642,000,000 pounds. Canada is the only country from which the United States can secure a supply of disease-free, high-class fresh meat. He knows further from the lips of the Prime Minister of Canada (Mr. Mackenzie King), in a declaration made openly on the floor of the house, that if Canada receives fair treatment she is open and aboveboard and willing to cooperate in every legitimate way, in so far as federal jurisdiction will permit, in the development of the St. Lawrence waterways towards which he himself has set his heart. In the face of all those facts does anyone believe that the very first international act of President Hoover will be to hand out a serious economic handicap to both his own country and Canada? I refuse to believe it; I believe the United States people have elected to the presidential chair a great American who will prove himself worthy of the name. But I deprecate the attitude of hon. gentlemen on the floor of the house towards the United States people and government. That attitude in both gesture and expression manifested at this time for purely partisan purposes is beneath the dignity which should characterize the proceedings of this deliberative assembly. After repeated assertions by the hon. member for Fort William (Mr. Manion) listen to the following:

> But, I repeat, President Hoover has recently announced a policy of increasing the United States tariff against our farmers.

I dispute the imputation and I invite the hon. gentleman to quote from President Hoover's inaugural message one syllable which will bear any such construction. Mark the different tone of President Hoover's words in regard to the tariff:

> Limited changes cannot, in justice to our farmers, our labour and our manufacturers, be postponed.

Listen also to his noble expression in regard to permanent peace.

Some hon. MEMBERS: Oh, oh.

Mr. McMILLAN: My hon. friends opposite are laughing.

Mr. COTNAM: Why not ?

Mr. McMILLAN: Bear yourself in silence. When the hon. gentleman speaks, we will listen to him. The fact is that when hon. gentlemen opposite rise to speak in parliament,

it is very seldom they have anything worth saying. Listen to the noble expression of President Hoover respecting permanent peace:

> The United States fully accepts the profound truth that our own progress, prosperity and peace, are interlocked with the progress, prosperity and peace of all humanity. . . . It is impossible my countrymen, to speak of peace without profound emotion. In thousands of homes in America, in millions of homes around the world, there are vacant chairs. It would be a shameful confession of our unworthiness if it should develop that we have abandoned the hope for which all men died. Surely civilization is old enough, surely mankind is mature enough so that we ought in our lifetime to find a way to permanent peace.

Contrast these words with the blustering, defiant mood in which the hon. member for Fort William jumps on to a big "if":

> If at that special session called by President Hoover any more restrictions are placed upon our sales to the United States. . . . then we in turn should deal in a red-blooded Canadian manner with their tariff attitude towards us.

But even that does not satisfy him and he becomes still more violently bombastic, and proceeds:

> I think we have been taking too white-blooded an attitude towards the United States all the time, and I submit that it is time for us to stand up and take a good red-blooded Canadian attitude.

That is the blood that courses through the veins of my hon. friend from Fort William, and it is also the blood which coursed through the veins of every member of the "shadow" cabinet when, in June 1926, they sat on the treasury benches, when the present Prime Minister metaphorically speaking, laid every one of them over his knee, and, after administering a sound spanking compelled every one of them to admit that not one of them had taken the oath of office and that they were guilty of endeavouring to mislead and deceive parliament and to put over the most indefensible act of power usurpation ever attempted on the floor of the Canadian parliament.

But that is not the spirit in which Canada should maintain the proud position which she occupies throughout the world to-day. Canada has achieved a high position in the minds and hearts of European nations. Great benefit has accrued to her through the sojourn of the Prime Minister in Great Britain and on the continent during the past year. His timely message of international peace, goodwill and conciliation rather than armaments as a means of settling disputes has lifted Canada to a high place among the nations of the world. Do these hon. gentlemen opposite want to discredit our proud position and trail it in the dust? Canada has now signally qualified as interpreter nation along the lines of peace, as a means of settling international disputes. The peace of the world depends more upon establishing good relationship between the United States and Great Britain and between Great Britain and France than upon any other single factor. The people of Canada, largely made up of two dominant races—the French and the British—have learned by experience to respect and honour the respective characteristics of those races. We have long since blended together those traits of character which enable us to work hand in hand and with the heartiest feelings of kindly cooperation have enthusiastically set ourselves to the task of building up a great and prosperous nation on the northern half of the American continent; building it upon the noblest principle of humanity, namely, the principle of peace on earth and good will towards men.

With such a prospect in view, and living alongside a nation with whom we enjoy the most friendly and intimate relationship, this Dominion understands and can interpret the French, the British and the United States characteristics. We are, therefore, qualified to act as an interpreter nation, and Canada holds it in her power to cement closer and closer those bonds which exist between us. But we also hold it in our power, by just such expressions as I have indicated coming from the opposite side of this house, to blast our good reputation and discredit Canada's prestige throughout the world.

Hon. gentlemen opposite would convey the impression that the Australian trade treaty has been an injury to the Canadian dairy industry. I am not going into an elaborate analysis of the effect of that agreement, but the fact is that it has not been detrimental to the dairy interests of Canada. Every economic student of those conditions knows that until very recently Great Britain has been the world's best market for dairy products and consquently the greatest distributing and price-regulating market of the world. But what happened? On October 1, 1925, the Australian treaty came into operation. From that time on there was a steady advance in the price of butter in Canada till March of 1926 when No. 1 pasteurized butter was ten cents per pound higher in Montreal than the price of Australian butter in London, and, generally, it has remained higher ever since. During the whole of the year 1926, the average price of No. 1 pasteurized butter in Montreal was 2.46 cents per pound higher than Australian butter in London. For the whole year

1927, it was an average of four cents per pound higher in Montreal than Australian butter in London, and during the past year Canadian dairy products have ranged for 2½ cents to 3 cents per pound above the world's market price. Yet the hon. gentlemen of the Conservative party want the consumers of butter in Canada to pay a still higher price for that product. I want every consumer of butter in Canada, and more particularly the mothers of families in every town and city in this Dominion, to know that this is the policy of the Conservative party under their present leader—wanting them to pay a price higher than the world's market price, and just to that degree destroy the purchasing power of the Canadian people.

On the 25th of October of last year the hon. leader of the opposition in the city of Montreal said:

> What are we doing to safeguard our agricultural life, not only for to-day but for to-morrow?

And after referring to the importations of butter under the Australian treaty, he continued:

> The dairy industry cannot be built up in a day or in a year. It is being destroyed.

His inference is that nothing is being done by this government to safeguard the agricultural life of this country. I wonder where the hon. gentleman has been sojourning when he thinks that the Canadian dairy industry is being destroyed. Has he actually sunk into such depths of real bachelordom? If any of our other bachelor leaders should develop such density we would have them married at once. That, sir, is the surest cure for any such ailment. The whole thing reminds me of an incident last June after I had put on Hansard the facts in connection with butter and the Australian treaty. I happened to meet some of my good Tory friends out in the corridor and they said: "Say, Mac, where is that butter?" "Boys," I said, "I plastered you all over from the soles of your feet to the crown of your head and you could not help yourselves. That is where the butter is." Apparently, however, their hon. leaders have never thoroughly cleansed themselves and are now living in an atmosphere of such lacteal density that their mental peregrinations are most amusing. They call to mind that divine injunction, "Man, know thyself." The greatest study of mankind is man, and, goodness knows, we members of parliament have a wonderful opportunity for study along that line. I often wonder where the hon. gentleman was browsing mentally when, in 1915, the American government removed every restriction against the importation of Canadian finished live stock and fresh meats and also placed wheat, flour and potatoes on the tentative free list. He was then very close to the members of the Canadian government. Why did he not then show his appreciation and safeguard the live stock industry of Canada by insisting that the government remove the duty on like American products coming into this country? Is it any wonder that after five years' experience of an entire lack of appreciation, during which time the Tory government in Canada maintained an almost prohibitive duty against like American products, the American government saw fit to withdraw the privilege? That was the time when he and his political friends should have shown some concern for the interests and welfare of Canadian agriculture, but they were asleep at the switch.

However, we do occasionally get a glimpse of their hon. leader's meanderings. Speaking at Cookshire, in the province of Quebec, last summer, he said:

> There should be in Canada a tariff commission such as they have in the United States . . . . This should determine the conditions under which our manufacturers and our producers have to meet the competition of the world.

According to press reports, on the 2nd of October, 1926, in his own city of Calgary, he made a similar statement:

> A tariff board, such as they have in the United States, should hear all the evidence and make its recommendations. By that we stand or fall.

What kind of tariff board have they in the United States? It is in effect a tariff commission for the purpose of giving the manufacturers the full power to exploit the consumer. For instance, it investigated the sugar duties. Its report was presented to the president. From that day to this the president has failed to make that report public. So close were the big interests linked up with the operation of the tariff board in the United States that actually the representative of the sugar interests was present on the board in the person of Mr. H. H. Glassie. Common decency and common justice should have intimated to that gentleman that he should abstain from sitting on cases in which his personal interests were so apparent. But this he refused to do. Congress passed a special law removing Mr. Glassie from the payroll of the nation until the case was finished. Yet this is the kind of thing that passes for a tariff board in the United States. Naturally this aroused some storms. Investigation was threatened. Senator Smoot, one of the big

sugar men of the United States, was always on the job to block investigation. All this is mixed up with the notorious speculative sugar market of 1921 when the exploitation of the American people by the sugar trust was one of the most glaring instances of the looting of the consumer by predatory interests ever brought to the attention of the American public. Yet this is the kind of thing which the honoured leader of the great Conservative party apparently wants to have in operation in this country. Naturally very strong opinions are voiced in the United States regarding the work of the American tariff board. For instance, Dr. Taussig, of Harvard University, and a former chairman of the tariff commission, at a meeting of the American Economic Association two years ago, expressed it as his opinion that:

> The interests involved in the results of tariff making were so powerful and exercised such influence upon the party in power that disinterested and non-partisan action was practically impossible.

Those are strong words, but they come from a man of calm and reasoned judgment, a man who had had experience on the tariff board, and who was by no means an opponent of tariff protection. Dr. E. P. Costigan, of Denver, who also has had experience with the tariff board, said:

> It should have turned upon it the clearest searchlight of publicity, that its past performances have little to commend it, and until it conforms to disinterested standards of public service, congress should refuse any further financial appropriation for its work.

There is the situation. Possibly the hon. gentleman would like to revive the battledore and shuttlecock methods which were in operation just before the Conservative party was defeated in the fall of 1921.

It might be interesting to lift the veil for a moment on one commodity—sugar—to disclose the true situation. To really understand the facts, it should be known that when James Murdock resigned his position as the last remaining member of the original Board of Commerce of that day he preferred serious charges against members of the cabinet. Rather than investigate those charges, the government filled the vacancies on the board by appointing three paid servants of the government. There never was a case which showed more plainly the absurdity, the injustice, and the injury to the consuming classes of the enactment of customs duties than did this sugar monopoly in Canada. In the whole muddle one fact was clear, that the sugar trade of this country was largely in the hands of a group of refiners who for most purposes acted together, and who for many years had very successfully controlled the sugar situation in Canada to their own exhorbitant profit through the kindly aid of the tariff. In this particular case—I regret, Mr. Speaker, that I have exhausted my forty minutes.

Hon. JOHN A. MACDONALD (Kings): Mr. Speaker, in rising briefly to discuss the budget, I feel that the masterly criticism delivered last Thursday by the then acting leader of this party (Mr. Guthrie) covered the ground so thoroughly that the Conservative case might well be rested there. However, there are usually some local aspects to which those members who follow the leaders can give attention.

As has already been stated, the financial condition of the country is set out in the budget speech in clear and concise terms. The facts and figures are doubtless correctly stated, but the conclusions which the Minister of Finance (Mr. Robb) seeks to draw therefrom I submit are not altogether warranted. It can easily be shown that other factors besides the so-called Robb budgets have contributed to the prosperity and increasing trade of the Dominion. It can also be shown, as the member for York-Sunbury (Mr. Hanson) pointed out this afternoon, that the much-vaunted prosperity is not as far reaching as is claimed by the government and their supporters. The prosperity is largely a paper prosperity and is confined to the larger cities. As a matter of fact the annual reports of our banks and large corporations are relied on as evidence of that prosperity. I agree with my hon. friend from York-Sunbury that if you apply the prosperity test to New Brunswick, Nova Scotia and Prince Edward Island, to the farmers and fishermen of those provinces, and to many others who to-day are struggling for a livelihood, the result is not as satisfactory as the government would have us believe.

The eloquent speech of the hon. gentleman who has just resumed his seat (Mr. McMillan) was the most amazing example of inconsistency that I have heard this session. He opened his address by stating that everything is prosperous, but that high protection stands in the way of prosperity. He seems to overlook the fact that the government of which he is such an enthusiastic supporter are maintaining this high protection, and at the same time they lose no opportunity to proclaim the great prosperity which the country is enjoying under their beneficent control. But the hon. gentleman goes further, he character-

izes this high protection as embodying a vicious principle, notwithstanding the fact that the government which he has supported so unquestioningly have had the power at any time during the last seven or eight years to put an end to high protection. Then he would eliminate trade barriers. Well, apparently, he still believes in the trade theories of Bright and Cobden and their contemporaries. But those theories are entirely out of date to-day. The nations of the world are protecting their industries and striving to build up a powerful industrial system and it would be utterly impossible for Canada situated as she is, to maintain her economic position under free trade. The hon. gentleman also stated that high protection brought eighteen years of stagnation. Yet he claims that we have this wonderful prosperity under the very system which has been continued with very little change down to the present time.

The tariff policy of the new administration in the United States was also discussed by my hon. friend. But why not face the facts? Everyone is aware that last fall the outstanding feature of the policy of the Republican candidate for the presidency and his party was protection for the farmers to cover all their products. There is no question whatever about the fact that the special session of congress that has been called is to be devoted to this particular purpose.

With regard to the tariff, the Liberals have always, in my recollection, claimed that the tariff was a tax; we have had to meet that argument in all of the elections I have had anything to do with for many years past. Yet in the face of present conditions they claim that they are reducing the taxation of the country. But what do we find on looking up the figures? The last summary issued by the Department of National Revenue shows that in the ten months of the present fiscal year, up to January, 1929, the duties collected in this country amounted to $162,703,554, as compared with the duties collected for the same period in 1928 of $139,355,327, or an increase in the last ten months, in duties paid—which the Liberal party has always claimed to be a tax—of $23,348,227.

A few days ago the hon. member for South Wellington (Mr. Guthrie) showed by figures taken from the public records that the average increase in taxation during the last five years, as compared with the last five years of Conservative rule in Canada, amounted to $51,000,000 per annum. Yet, in face of these facts, hon. gentlemen opposite will stand up and say that they are reducing taxation. The fact is that there never was a time in the history of Canada when taxtation was as high as it is to-day by many millions of dollars; and notwithstanding the fact that they claim some credit for a reduction in the rate of taxation here and there, the situation shows that taxation has very largely increased. If this increase in taxation, resulting in increased revenue, were being economically made use of, if we were getting from it the services which the country stands most in need of, if we were obtaining a reduction in the debt to the extent that we might have by the practice of economy, then all would be well. But apparently this additional money has had the effect of tempting the government into a period of extravagant expenditure in which no amounts are too large.

I am one of those who would like to see Ottawa made beautiful; I am just as anxious as anyone else to see this done. But I do not believe that the millions of dollars voted for this purpose are being well expended, especially at the present time when the country has so many other pressing obligations, including the burden of debt which we are carrying. I do not believe that half a million—or more than half a million—expended on automobiles in this country is an economical or reasonable expenditure. And there are many others that one could cite; one could go on for an hour proving reckless and extravagant expenditures. These are but samples. Yet the government, because, as they claim, they have no money, are obliged to discontinue the technical education grant; the statement from the treasury benches is that there is no money. And they are obliged also to refuse any contribution to good roads in Canada; they have no money with which to assist the provinces along that line. But I would point out that there is no movement in this country to-day which would be of as great value to the farmers and to others who are attempting to carry on business as would be the improvement of the roads.

The last speaker (Mr. McMillan) referred to a national highway to cost $200,000,000. Why, sir, that is simply sidetracking the issue; no one would seriously consider such a thing. But there are ways and means of promoting the development of good roads in this country without tackling such a project. This Dominion, I believe, should follow the lead given by the late Conservative government when $20,000,000 was voted to assist the provinces in road work.

There is no question about the fact that if the government turned over a new leaf and practised sufficient economy they could wipe out the sales tax entirely and still not hamper the finances of the Dominion. So that, from

the standpoint of economy, they are failing; there is no doubt at all that rank extravagance can be proved against the government.

There are many matters involved in a discussion of the budget, and among these may be included, as important questions, markets and transportation. When we come to look at this government's work along this line we also find much room for criticism. Markets and transportation are largely complementary; they go hand in hand. And when this government established, under the British West Indies trade agreement, the Canadian National Steamship Line and put steamers on that route, they made, it seems to me, a very serious error in not including as a port of call for these steamships the city of Havana in Cuba. I realize, of course, that under the treaty as it now stands this may be difficult and perhaps impossible. But I would urge as strongly as possible on the Minister of Trade and Commerce (Mr. Malcolm) and the Minister of Finance (Mr. Robb), who have this work in hand, the desirability of making Havana a port of call for these steamships. Probably the British West Indies would not agree, inasmuch as they are paying a subsidy in support of the service. I submit, however, that it would pay the country, it would pay the Canadian National Steamships, to abandon that subsidy and make Cuba a port of call. What would happen? To-day these boats are going to the West Indies with very little freight; they are not half loaded. But if they were allowed to touch at Havana every cubic foot of space would be filled with potatoes every trip. That would mean that the earnings of the Canadian National Steamships would be largely increased. Moreover, it would give very much needed accommodation to the maritime provinces. The situation at the present time lends itself to monopoly in this regard. The ordinary shipper cannot ship to Havana at all; yet that is the biggest and best market we have to-day for our potatoes. That market takes 3,000,000 bushels a year from New Brunswick and Prince Edward Island, but no producer can ship a bushel there unless he is big enough to charter a steamer and despatch a whole steamer load. I submit that if it is possible to make some arrangement whereby these boats could call at Havana—they pass that port within a few miles every two weeks—it would operate to the advantage of the maritimes. If this cannot be done, some other service should be established and subsidized by the government in order to provide a connection with the port of Havana.

That brings us to the general condition of the potato market at the present time, which everyone knows to be very bad. If it were not for the fact that Prince Edward Island potatoes are recognized as the best obtainable anywhere we would have had a very poor market last fall; in fact it was poor at its best, but to give you some idea of how largely the quality enters into the marketing of our crop I will just quote from the United States market report in connection with the Boston market a few days ago. The quotations show a very decided preference for Prince Edward Island stock, as follows:

> Maine, 100-pound sacks, Green Mountains, United States No. 1, sacked locally, $1.20-$1.25.
> Prince Edward Island, 90-pound sacks, Green Mountains A grade, $1.50-$1.75.

That condition assisted us very materially in marketing our potatoes this year, because the same preference is shown in Cuba and in the Canadian markets. Even at that, however, we cannot unload the large quantity of excellent potatoes which still remains in the hands of the farmers. In that connection I might say that we have been endeavouring to take advantage of the market which exists in western Canada; it is not a good market with regard to price but it could be made an outlet for a considerable quantity of our potatoes. In endeavouring to make use of it the Canadian National Railways did give us a very nice reduction in freight rates, but it was not sufficient to enable us to send our produce to western Canada; the freight rates were still too high although quite a few carloads were shipped. A few years ago we had a similar condition; the Minister of Agriculture (Mr. Motherwell) took a hand in the matter then and claimed credit for a reduction in freight rates which was given. In a circular which he sent out at that time he said:

> We would add here a reminder that this movement will be in competition with selected stock imported from well-organized shippers in Minnesota and North Dakota, their shipments over shorter distances bearing lower rates, particularly to Winnipeg, but with 33 cents per one hundred pounds duty.

This winter the shippers appealed to the Canadian National Railways for a further reduction of 15 cents per hundred pounds, which would enable us to ship quite a few potatoes to the west. We were not able to obtain that reduction, but the government had it in their power to give us that 15 cents advantage by raising the duty on potatoes to 50 cents per hundred pounds, which would place it on an equality with the United States duty. If that were done we would have the advantage we

need in order to compete with the potatoes of North Dakota and Minnesota. That would apply to the condition of not only this year but every year; never a year passes without many thousands of bushels of potatoes coming into Canada from the United States in the spring while our last year's crop is still in first-class condition and fit for use anywhere. I venture to say that within a month we will be offered new potatoes from Florida and Georgia in the restaurant of this house; that has happened every year in the past and probably will happen again this year, although there are millions and tens of millions of first-class potatoes in Canada which we should be eating instead of using potatoes from the United States.

These are matters to which the government should give some attention, matters with which they should deal in order to protect our farmers from this outside competition, and give them a chance against our neighbours to the south, who take advantage of our markets to dispose of their surplus products in the off-season. They should give protection when needed, something which will be stable and which will allow our farmers to carry on with a reasonable assurance that they will at least have the full benefit of the Canadian market when the foreign markets will not absorb our products.

These same arguments may be applied to the butter trade, and notwithstanding the statements of the last speaker we find that there has been an enormous change in the imports and exports of butter since the Australian treaty came into effect. We find that there has been a serious decrease in the dairying industry generally, and we all know that the number of cattle in Canada has dropped seriously. What are some of the results of this treaty from a marketing standpoint? In 1925 Canada exported about 24,500,000 pounds of butter; in four years our exports dropped to 2,056,500 pounds. These are the latest figures taken from the dairy letter issued by the Department of Agriculture and received to-day; the figures include our exports up to January of this year. Now let us consider the other side of the picture; in 1925 we imported 162,848 pounds of butter, while according to the same letter last year we imported 21,108,929 pounds, valued at over $7,000,000. The farmers of this country should have produced that butter and should have distributed that money among themselves. And the loss is not only the money lost by not producing this butter, as every farmers knows; in eastern Canada especially we are not able to keep up the fertility of the soil if we do not keep cattle. We must have cattle in order to maintain the fertility of the soil, so that in addition to the direct loss there is a heavy indirect loss. Practically all milk products, as well as butter, show a decrease in exports with the exception of cheese, which increased to some extent.

What is the cure for this condition? We know what we are up against; what are we to do about it? There is only one way to go about it; we must look at the whole matter from a broad national standpoint; we must endeavour to build up Canada as a whole from coast to coast with all kinds of industries and an industrial population which will provide markets for the produce of the farms. Then, if we protect these markets, the farmers will be reasonably safe. It might be said that I am speaking against foreign markets, but I am not. I have as much respect for foreign markets as any person in Canada, but they are always treacherous and tricky. If you have a well developed home market, a large consuming population of your own, then you are safe. In various parts of Canada, and especially in the maritime provinces, we have always had the Liberal party holding up before the people this policy of protection as a fearful bogey; telling them it would increase their cost of living; it would ruin them in various ways and make millionaires of all the manufacturers, and build up the cities at the expense of the country. The Liberal party has been able to put that over so successfully that practically solid delegations of Liberals have at times been returned from the maritime provinces; wholly solid from Prince Edward Island and Nova Scotia and nearly so from New Brunswick. But that day is past, and the maritime provinces have awakened to the realization that they must fight for protection for their industries and see that it is provided for the rest of Canada. They have come to realize that even though they have to pay a little extra for a machine—I do not admit that this necessarily follows—which they would have to buy once in ten or fifteen years, it is better to pay that extra cost and have it manufactured in Canada. By doing that they establish a safe market for what they produce with that machine. They were told their industries had been killed by the industries of upper Canada. This was true to some extent, but we are getting our stuff much cheaper to-day than in the days when we were manufacturing at home in a small way. It is true we have lost our industrial population, and, as far as Prince Edward Island is concerned we have lost over twenty per cent of our total

population, but we are producing more to-day with that smaller population and we are getting our stuff at a cheaper cost because of the mass production of upper Canada. Unfortunately, there is also some coming in from the United States, which has killed off our little industries.

I would like to refer to the question of old age pensions, particularly as it applies to Prince Edward Island. It has been said that I opposed old age pensions when that question was before the house in 1926. That statement is not correct. I, with others on this side, opposed the system by which the government was putting more than half the burden upon the shoulders of the provinces. We regarded that as being unfair and argued that the government should make it a federal scheme entirely. There is much difficulty in the smaller provinces with a limited revenue in taking hold of this situation. Take the position of Prince Edward Island, with its small revenue and lack of all resources from which revenue can be secured except by direct taxation on the farmers. According to population, this scheme would be more expensive there than it would be anywhere else in Canada. Many of our young people leave during the producing age and we have a smaller proportion of that class in our community than is to be found in any other province in Canada. The following comparative statement is taken from the census of 1921:

Ages	Per 1,000 population Prince Edward Island	Canada
10 to 19 years.. ..	204.32	195.14
20 to 44 years.. ..	312.33	365.27
45 to 69 years.. ..	203.79	169.38
70 years and over.. ..	60.24	28.11

From the above tabulation it will be seen that Prince Edward Island has a much larger percentage of population from 10 to 19 years than the rest of Canada. But when we come to the ages of 20 to 44 years, which are the best producing years, we find that Prince Edward Island has a lower average than the rest of Canada. The population coming under this class are producing revenue in the other provinces, they have left Prince Edward Island and we lose in that respect. In the classification of 44 to 69 years Prince Edward Island heads the list again, and when we come to 70 years and over it is found that Prince Edward Island has a very much larger percentage than the rest of Canada. It can be seen quite easily that Prince Edward Island would have considerable difficulty in undertaking the carrying out of the old age pensions scheme. I still believe that this should have been undertaken by the federal government, because provinces like Prince Edward Island. which may not be able to undertake it, will have to contribute towards the scheme for the benefit of the other provinces.

I would like to refer to the work of the Department of National Revenue with special reference to the prevention of smuggling. In order that the house may have some idea of just what the conditions are in Prince Edward Island, I wish to read an article which appeared in the Charlottetown Patriot, on January 18th. This paper is an out-and-out suporter of the government. The article is as follows:

Laxity in Enforcement

We all know that smuggling is rampant not only here but elsewhere, and that bootlegging is constantly on the increase, while the number of places that it is rumoured in which liquor can be procured either by telephone message or personally are said to be constantly multiplying. Further, it is declared that in many of these places liquor is sold by the glass, as well as by the bottle.

It is a well known fact that for the past three years there has been more smuggling of liquor than previously, and as a natural consequence more people should be fined.

I would like the Minister of National Revenue (Mr. Euler) to take note of this statement as put forward by a newspaper which is an ardent supporter of his government. I suggest that something be done in connection with this very serious situation. We who live there, surrounded as we are by water, with opportunities for the vessels to get into every creek, bay and river, know that there never was a time in the history of the province when there was as much liquor floating around as there was last year. I would urge upon the minister that in making arrangements for the coming year he take this fact into consideration and make some effort to enforce the laws in this respect.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, before I speak on the budget and its amendment I would like to make a few remarks with reference to a question which has come to the forefront in the province of Ontario, more particularly since the beginning of this session. I refer to the activities of the Ontario Prohibition Union. In the past few weeks circular letters have been received from organizations working to assist the United States in preventing Canadian liquor from entering that country. I have always been an advocate of temperance and I am always prepared to sponsor and further true temperance. At the same time I cannot see why we Canadians should be called upon to enforce United States law. I have read

many comments in both wet and dry papers in the United States, and they are firmly convinced that the Canadian government is following the proper course in that respect. It is a well known fact that the officers of the United States government have a right to enter any ship on this side of the line and examine the papers before the ship is released, and it is also a well known fact that they have access to all boats, whether Canadian or American, on the other side of the line. It is also a well known fact that unlimited quantities of intoxicating liquor are finding their way into the United States from Cuba, which is a protectorate of that country. Cuba is yearly shipping enormous quantities of intoxicating liquor, and apparently no checks are being used against such a practice. But I consider that the demands made to the Canadian government by the United States were absolutely unwarranted; they should have made the same demands to Great Britain and France. It is a well known fact that even under the Volstead Act liquor is being used for sacramental and also medicinal purposes in the United States. The government of the United States through its dispensaries has been receiving tens of millions of dollars in the sale of liquor. Therefore I am convinced, as one of the leading temperance men in northern Ontario, that the government in this instance is following the proper course. It must also be considered that the exportation of spirituous liquors from Canada to the United States represents only two per cent of the total consumption, so they must get it much more extensively from other sources.

The budget speech of the Minister of Finance (Mr. Robb), with the facts and figures contained in it, speaks very eloquently of the present prosperity of Canada. In all parts of the country we find a spirit of optimism that can be brought about only by a general improvement in business. It is noted with great satisfaction that every year since 1923 has seen a decrease in the net debt of the Dominion, the reduction this year amounting to more than $50,000,000. As the interest on the funded debt at the present time represents about one-quarter of the yearly revenues of the country, this debt reduction from year to year makes possible an ever-increasing reduction in taxation and at the same time larger expenditures on the necessary developments of the country.

We are also pleased to note that the Dominion bond issues maturing during the year have been paid instead of being renewed and by following the same policy in future it should not be necessary to renew any bond issues until 1933. As I have said, the country seems to be well satisfied; and this budget, the same as the five previous ones, has been accepted by the country as a whole, as a "Robb" budget, meaning by that that there is keen satisfaction with it throughout the length and breadth of the Dominion.

It was acknowledged by the acting leader of the opposition (Mr. Guthrie) in a magnificent oratorical effort, that we are experiencing prosperity. A person has only to glance over some of the headings in the newspapers and periodicals of the country to realize to a very large extent that we are really experiencing prosperity. Let me quote a few of them coming from the industrial issue of the Ottawa Journal:

General expansion placed pulp and paper industry in unusually good position.

Annual review of industry shows expansion in newsprint production more rapid than consumption—exports to countries other than United States increase—New laboratory in Montreal.

This is another one:

High mark for construction reached in past twelve months is likely to be maintained.

Normal building year now exceeds 1912 boom—building likely to continue at present levels—Ontario leads all other provinces.

Another one:

Wide distribution of bank assets make for safety and permanence unaffected by market conditions. Underlying conditions of trade today make for greater stability of Canadian banking institutions as compared to conditions at confederation.

Over 211 million bushels grain handled by harbour of Montreal but limit by no means reached. Is world's premier grain shipping port, having reached new record during past summer—many improvements under way including port for aircraft.

Record wheat yield of year outstanding contribution to present prosperous era. All previous records broken states C.P.R. president, who is most optimistic—he believes time has come when immigration regulations should be relaxed.

West is entering industrial field with oil and mining also prominent states president of national lines.

Prairie provinces outgrown period when agriculture only industry—new records made by C.N.R. in 1928—extensions made and services improved.

Advance in Canada's foreign trade one of outstanding achievements in modern economic development.

Noted banker reviews export trade which has developed 100 per cent since 1913—recognizes value of great tourist expenditure.

There is one particularly from northern Ontario:

Continued progress is noted with the Lake Superior corporation. Public shows great interest.

Various subsidiaries making up huge industral group reveal pronounced trend toward increased activities—scope of companies is broadened.

Canada's advance is outstanding in present day economic history while future is full of promise.

Statistics prove achievements were not equalled by people of any other country—bumper crops one of chief factors in financial situation in which all classes shared—advances in mineral development.

General anticipation is that present wave will continue during first six months of 1929 at least.

It is true that the opposition maintain that this is all due to Providence, but I believe in the fine old idea that the Lord helps him who helps himself. While the administration has much to do with the present situation, there is a spirit of cooperation throughout every part of the country, and I feel certain that the people have more confidence in the present administration than they had in that of a few years ago.

I was amazed to hear some of the criticisms levelled by the acting leader of the opposition at some of the reductions in taxation, particularly when he stated that the government, in removing the tax from Pullman tickets, were helping only the richer class. In the part of the country which I have the honour to represent they do not regard it is a luxury to buy berth accommodation when they travel from northern Ontario to Ottawa, Toronto and Montreal, so this is helping the working and travelling class as a whole. The same thing applies to the criticism levelled against the reduction in the tax on cables and telegrams. The hon. gentleman said that this was going to benefit only the big corporation. But the larger corporations have always the happy peculiarity of unloading every possible tax on the public as a whole, and this principle applies also on telegrams and cables.

I listened with a good deal of attention to some of the remarks made by the hon. member for Kingston (Mr. Ross), the hon. member for Nanaimo (Mr. Dickie), and this afternoon to the hon. member for Vancouver-Burrard (Mr. Clark), in regard to the exportation of raw pulpwood to the United States to the amount of 1,500,000 cords a year. One thing every hon. member must have in mind is the fact that raw pulpwood to a settler is the finished product. I was in full sympathy with the action that was taken by the premiers of Quebec and Ontario in calling a pulpwood conference to discuss the situation in which the newsprint industry has found itself in the way of over-production and lack of market. We all know that prices were pared to such an extent that in many cases dividends could not be paid. I would be the last man to put too heavy demands on the newsprint industry. In the constituency which I represent we have three pulp and paper corporations: the Iroquois Falls Pulp and Paper Company, Limited, The Mattagami Pulp and Paper Company and the Spruce Falls Pulp and Paper Company, which have a daily capacity of 1,300 tons of finished newsprint. Therefore I would be the last man to wish anything harmful to that industry. One thing that surprised me was the fact that the premiers of those two provinces did not see their way clear to have the pulpwood producers or the settlers represented at that conference. I have under my hand figures giving the actual cost of the pulpwood production to the newsprint industry. This is given by the companies themselves.

	Per cord
Cut on their limits..	$6 25
Duties to government and also ground rent and fire rent..	2 35
Overhead..	1 50
Total for each cord of wood cut by the companies themselves..	$10 10

For the same quantity of wood, the same size of pulpwood, not delivered at the mill, the price is $5.75 to the settler. I believe there is an anomaly there which should be remedied as rapidly as possible. I would be the last man to be in favour of a policy of price-fixing, but at the same time I was absolutely in favour of the two premiers of Ontario and Quebec calling a conference, because the newsprint industry was not receiving a fair remuneration for the finished product.

During the course of last week in the Ontario legislature, the Minister of Lands and Forests in putting a bill through that body said that in northern Ontario the worst enemy of the forest was the settler. I believe that in respect to some instances may have been right, but I have no doubt that generally speaking he was wrong on that score. But if the settler of northern Ontario is the enemy of the forest, it is simply on account of the fact that he is not able to realize a sufficient price for his product. Up in that country there is what we call the clay belt, an area of 35,000 square miles. It is one of the best rural sections in the whole of the country. They have plenty of pulpwood up in that section but, as far as I have been able to ascertain, the settlers have never been able to receive a fair price for that product. So you will readily understand why the settlers are not trying to save the forests. There was exported to the United States last year 1,500,000 cords of pulpwood; and it is indeed surprising to learn that American buyers come hundreds and thousands of miles to buy that wood and pay a higher price for it than do

the local buyers. The settlers have no remedy in such a situation. They have to find an outlet for their product in some way or other.

I would urge upon this government the necessity of calling a conference between the settlers and representatives of the pulpwood industry. I know that I am talking shop now, but this is a very important problem and one that should be dealt with if we are to advance the colonization of northern Ontario.

I desire to congratulate the Finance minister on the reduction of duties on mining equipment. That is just one instance showing that high duties are not always wise, are not always best for the development of any district, especially a new district like northern Ontario. We see it quite often in the newspapers that the empire is looking northward. Most of our present day development is in that north country, getting farther and farther away from the large industrial centres. We hear of large mining corporations. One of the hon. members to-day spoke of one of those companies being capitalized at one billion dollars. It is true that these companies are investing large amounts of money, but it is also true that people going into the mining game are gambling purely and simply. True, a lot of those ventures have turned out all right, but others have not turned out quite so well. This government must help the people in northern Ontario. I myself have received many letters from organizations like the Hollinger and other mining corporations, first, pleading for a reduction of the duty on their mining equipment, and later congratulating the Finance minister upon the reduction of duties of mining equipment in general.

Some big mining men in Toronto and Montreal have started up an industry, that of manufacturing mining machinery. It is true that some of their equipment is purchased here in Canada, but in almost every instance the equipment is purchased either in Great Britain or in the United States, and I am pleased to say that the mining interests in northern Ontario are perfectly satisfied with the reductions that have been made.

It seems to me that our friends on the other side think that they have a cure for all ills. One member said to-night there was no mention of protection at the last Conservative convention at Winnipeg. During the whole of last session I remember very well some of the members on this side tantalizing members on the other side as to what they meant by certain expressions, but hon. gentlemen opposite would never commit themselves.

[Mr. Bradette.]

Ever since the session the leader of the opposition has been going up and down practically every section of the country telling the people that the only solution he could offer was higher protection. But I must state with all frankness, as a representative of northern Ontario, that the people of that part of the country realize that this government has the only real policy in connection with tariff. We realize also that this government is not satisfied with the tariff policy that was good for this country fifteen or twenty years ago. We realize, however, that this government is formulating a tariff policy applicable for this year just the same as the tariff of twenty years ago was applicable to the needs of the country at that time.

On account of our geographical situation, we should be free traders, but we are fully alive to the needs and requirements of governmental administration, the revenue for which must partly be raised by indirect taxation or collection of customs duties. We produced last year thirteen hundred tons of finished newsprint daily and it would be absolutely impossible for northern Ontario, or for that matter, the whole of the province of Ontario, to consume even a very small proportion of that newsprint. Of necessity, we must go to the outside markets of the world. Not only that, but on account of being a new section of the country, and being quite a distance away from the industrial centres, we must naturally buy on a high tariff market all the commodities that we require. But we are perfectly satisfied to play the game with the rest of the country. We believe that under some circumstances a certain amount of protection is required in connection with a new industry, and we need a tariff for revenue purposes. Hon. friends opposite would seek to put up a high tariff that would not be acceptable to the whole of New Ontario. At the present time, we must export. Take our mining industry; it must find its outlet in the markets of the world. Our newsprint industry must find its outlet in the markets of the world, and high protection is absolutely a policy and a principle that I am positive my hon. friends opposite were they in power, would never dare to apply to that section of the country which I have the honour to represent.

With regard to vegetables and fruits, I do not believe that we will ever be able in that section of the country to produce a sufficient quantity to supply the needs of the people there, or the people of Ontario. However, the growers should have protection. I believe that the British Columbia growers have suf-

ficient protection in connection with their industry. There is one thing, however, that puzzles me, and that is that we have to pay such excessive prices for British Columbia fruit. In northern Ontario, in the winter time, for instance, we have to pay 25 cents for three British Columbia apples, yet the growers of British Columiba claim that they have not sufficient protection. There was quite a movement inaugurated last fall by the fruit growers of British Columbia, complaining of the fact that there was practically no tariff protection extended to the fruit growers of this country. As I was very much interested in that question, I took the trouble to make an inquiry into the matter, and to my astonishment I found that we had a higher rate of protection against American fruit than they had against us. I will just give a list of eight fruits to corroborate that statement. Let us assume that a Canadian importer imports one thousand pounds of each of the fruits enumerated. At the same time an American importer also imports one thousand pounds of each of these fruits. The duties paid by each of the parties would stand as follows:

	Present Canadian Rate	Present American Rate
Apples	$ 6.00	$ 5.00
Pears	5.00	5.00
Strawberries	20.00	12.50
Peaches	10.00	5.00
Plums	7.50	5.00
Cherries	20.00	20.00
Apricots	5.00	5.00
Raspberries	20.00	12.50
	93.50	70.00

So at the present time the fruit industry is fully protected. There are times when we have to pay, in northern Ontario, as much as fifty cents a pound for tomatoes. Someone must be making a certain amount of money at such a price.

As I say, we are perfectly satisfied to play the game with other sections of the country, but at the same time I am firmly convinced that higher tariffs will be no solution of the situation in this part of the country. I believe this government is following the proper course, a business course, a course that will be beneficial to all concerned.

I do not intend to deal at any length with what the United States are going to do in connection with their tariff. It amused me, however, this afternoon, to hear some of the hon. members opposite mention the fact that the Minister of Finance waited until Friday to place his budget before the house; that he should have brought it down after the inaugural speech of the president of the United States. I do not see the logic of that argument, and I do not see why we should time our actions in accordance with theirs. I for one am not dreading the situation as some of the hon. members opposite seem to dread it. As has been well said by one member on this side of the house to-day, I fully believe the United States are going to maintain the amicable relations they have had with us in the past, even on tariff matters. We must also consider that there are two schools of thought in the United States the same as here in Canada on that question. It is true that perhaps some farmers situated near the border on the American side will benefit by an increase in tariffs on Canadian farm products, but as the urban population in the United States is much larger than the rural population, so I am not apprehensive of that movement. It would be a movement that would be resented by the majority of the people of that country which sentiment the American politician must take into consideration.

Now, even if the United States do increase their tariff at the special session of congress next month I do not believe it would be prudent for us to take such steps as would simply increase the cost of living in this country. Speaking for a large section of northern Ontario, I am positive that if the Canadian tariff is raised we are going to pay for it in good Canadian dollars. But I have sufficient confidence in this government to realize that they will deal in a logical way with whatever situation may develop. In this connection I may be permitted to quote certain authorities. Writing in Barron's Weekly, Sir George Paish expresses the following opinion:

> The world cannot enjoy political peace in a condition of economic war. The great world conference convened by the League of Nations, in affirming that "no machinery for the settlement of international disputes can be relied upon to maintain peace if the economic policies of the world so develop as to create not only deep divergencies of economic interest between different masses of the world's population but a sense of intolerable injury and injustice," stated a truth that cannot be doubted. Political peace is impossible without economic peace, and economic cooperation. The nations must work together for the common good. No nation can live at the expense of another.
>
> In the bankers' plea for the removal of restrictions on European trade, it was wisely stated that our neighbours are our customers, and that their well-being is essential to our own welfare. The world economic conference affirmed this truth in language that cannot be misunderstood. But the nations, by their actions, are still unconvinced of its truth.

Indeed, they seem to be convinced that it is untrue. Trade restrictions and tariffs are still being increased in many directions. Even in Great Britain "safeguarding" is being extended. The whole world is pursuing a policy of trade restriction, the effect of which is the exact reverse of that which the situation demands.

The principle here enunciated applies also to Canada to-day. It may be true that the American tariff will be raised on certain commodities that we now export to the United States, but it is not certain that any substantial increases will be made. My other authority is Sir Herbert Holt—a practical man, not a theorist. At the annual meeting of the shareholders of the Royal Bank of Canada he said:

In spite of the fact that the present trade relationship between the two countries—

Referring to the United States and Canada.

—is disproportionately favourable to the United States, there is active discussion of further tariff increases that seem likely to shut out the few competitive items which Canadians now sell there. It would seem that those who propose such tariff changes fail to realize that checks upon Canadian prosperity automatically check the volume of goods which can be bought from the United States, and that on the other hand continued improvement in Canadian conditions brings corresponding increases in the volume of goods which they can sell us. From this viewpoint it might be considered economic statesmanship for the United States to discover means to increase their purchases from Canada, rather than to consider measures which will constitute new trade barriers.

Moreover, it is not feasible for a country to sever completely foreign policy from tariff policy. Official observers from the United States at the world economic conference at Geneva, and influential representatives of the United States Chamber of Commerce at the meeting of the international chamber of Commerce at Stockholm, expressed disapproval of such measures as would be likely to hinder the flow of international trade. With other nations looking to the United States for assistance in reconstructing the world's economic organization, the proposed tariff increases would constitute a severe blow at international economic cooperation and goodwill.

If further handicaps are placed upon the exports of Canada to the United States, it will be imperative for Canadians to seek more favourable trade agreements—

No mention of higher tariff.

—with other nations and to change the present relationship by the application of measures for their own protection. As a last resort, it may be necessary to meet this situation by direct tariff increases and by granting further preference to Great Britain and to most-favoured-nations. This is not a statement in favour of exhorbitant tariffs. I am not suggesting tariffs which will increase the cost of living in Canada, but rather such measures as will permit the continued growth of Canadian production and stimulate trade relationships with those countries who are willing to buy agricultural and other products from this country on terms which will permit the maintenance of a reasonable and stable prosperity.

Those are practically the words of the Minister of Finance in his budget speech. There is no mention of retaliation. No one will dare say that Sir Herbert Holt is a dreamer. His practical views should be very carefully considered before we go on the rampage with respect to tariff matters. By hasty retaliatory measures, instead of penalizing our friends to the south we might penalize our own people.

Now, Mr. Speaker, a few words on immigration. At the outset I may say that I firmly believe Premier Ferguson is a friend of northern Ontario, as is also his Minister of Lands and Forests. Northern Ontario is a wonderful part of the province, immense in area, and richly endowed with minerals, with water-powers and with forest resources. It is also one of the best agricultural sections, the 35,000 square mile clay belt being admirably adapted for settlement. At the same time I do not think an immigration scheme on a large scale will be feasible in that country. I presume all members of this house are familiar with the failure of the Kapuskasing colonization experiment, on which the provincial government spent millions of dollars. Unfortunately, the immigrants were not familiar with farming conditions in northern Ontario and did not become acclimatized, and of course they failed to make good. In fact the government had to transfer those people to Toronto and other large centres. Recently I read in the December issue of the Empire Review an article by Premier Ferguson in which he described the kitchen garden farms of Denmark. Speaking of the size of these farms the Premier of Ontario said that they were from 15 to 50 acres in area. Had he visited that country four or five years ago, I would have been inclined to believe that he had tried to apply the same principle to northern Ontario. About five years ago, and apparently without any consultation with the settlers of that section of the province the size of the farms was reduced from 150 to 75 acres. But those small farms would not be suitable in northern Ontario. Not a single farmer from the older portion of the province would attempt farming in northern Ontario on such a small scale. Everybody familiar with a timber farm will tell you that allowance must be made for a certain amount of waste land. In clearing such a farm the pioneer must select an elevated spot on which to build his home and start farming operations, and eventually he gets access to the lower

lying land, but almost invariably there is a good deal of rocky land which cannot be brought under cultivation. I am sorry that I cannot air my views on this subject in the provincial legislature, and therefore I must take this opportunity to do so here. I submit that northern Ontario is not equipped to take care of a large immigrant population. In many sections where the people have been on their farms for ten or fifteen years they are still without roads and therefore have no access to markets. I have stated that they are not getting a fair remuneration for their pulpwood, and it is absolutely necessary that they should, because they rely upon this for their living. The farmer depends upon his pulpwood for himself and his family. So that we must be very careful in dealing with this matter. We are also trying to get agriculturists to come to Canada, and we know that eventually 50 per cent of them will find their way to the larger centres.

The ACTING SPEAKER (Mr. Power): The hon. gentleman's time has expired.

Mr. M. N. CAMPBELL (Mackenzie): I do not propose to enter into a general discussion of the whole budget, but I desire to deal with a matter which I consider to be of paramount importance at the present time; and in this connection may I quote from the budget speech of the Minister of Finance (Mr. Robb) delivered in this house on February 16, 1928—that is to say, the budget speech of last year. The remarks to which I wish to call the attention of the house will be found at page 513 of Hansard of that year:

> In order to foster empire trade there is a general tendency in the Dominions and the mother country to increase the percentage of cost of production requirements on goods receiving the benefit of the British preferential tariff. At present Canada requires 25 per cent to be empire labour and materials. It is proposed to double this percentage. There will be similar increases in the percentages required on goods entering under treaty rates and the intermediate tariff.

Now I will not accuse the Minister of Finance of attempting to deceive the house, but I did receive an entirely wrong impression because, when I began to study the situation, I came to the conclusion that this regulation would have exactly the opposite effect. Speaking in this house on February 27, 1928, I drew the attention of the minister to that fact. May I be permitted to quote briefly from the remarks I made on that occasion. I said:

> Ninety per cent of the short staple cotton used in British mills is purchased outside the empire, 30 per cent of the total American exports of cotton going to the United Kingdom. Not more than 15 to 20 per cent of the cost of the finished product of the British cotton mills is labour.

I pointed out that the effect of this regulation would be to debar British manufactured cottons from the benefits of the British preference. It might be that when the raw cotton was very low in price the labour and other materials might happen to be 50 per cent or more of the cost, and under these circumstances these cottons might come in under the British preference. But when cotton prices were high certainly cotton manufactured goods from Great Britain would be debarred from the benefits of the British preference. I pointed out that in effect the Minister of Finance was saying to the consumers of Canada that when cotton prices were low the duty might remain as it was, but that when cotton prices were high he proposed to increase the tariff. In fact, I quoted some figures, which I will read at the present moment.

> In ten years the average value of the raw cotton used in British mills was 46 per cent of the finished value of the goods. In one year it was about 58 per cent. It is quite obvious, then, that under this new proposal the advantage of the British preference will largely be lost to the British cotton manufacturers.

On February 29, two days later, the Minister of Railways (Mr. Dunning) was addressing the house on the budget and I presume he was referring to my remarks when he said, as reported at page 893 of Hansard:

> As to the criticism which has been uttered with respect to the intimation by the Minister of Finance that in future it was proposed to ask that all goods coming in, taking advantage of the British preference, should have a 50 per cent British or empire content, I desire to say just this: the Minister of Finance gave that intimation in no sense intending thereby to limit the British preference in the slightest degree.

Further on he said:

> Some hon. gentleman in the far corner—I forget who it was—instanced the possibility that the raising of the limit to 50 per cent might have the effect of debarring British goods. I can assure my hon. friend on the authority of the Minister of Finance that there is no intention to permit it to be used for any such purpose, and if as a result of experience it is found necessary to provide a different percentage of content for different classes of goods, as other British dominions have done, it is quite within the competency of the government to work out the solution along those lines.

That assurance seemed fairly definite. But that is not all. On March 13 the Prime Minister (Mr. Mackenzie King), speaking in the same budget debate, made further reference

to this matter. Referring to this provision regarding the British preference, he said:

May I say this to the house: If we discover, in connection with the enforcement of a regulation of that kind, that the consumers of this country are in any particular losing the benefits which the British preference was intended to give, we shall not hesitate speedily to make such changes as the circumstances may demand.

Then the Prime Minister proceeded to deal with what I presume were my remarks, in which the suggestion was made that when cotton prices were high that was the very time the duty would be raised; and concluding on that particular point the right hon. gentleman said:

I wish to say that if that situation arises it is not the intention of the government to make the existing 25 per cent British content 1 per cent higher than it is at the present time.

Now these remarks of the two ministers cannot be misunderstood, and for my part I went home after last session feeling assured that this provision would not be carried into effect. Imagine my surprise, however, when on the first of February this year the provision, without being modified or amended to any degree, was put into effect. And it is in operation at the present time.

Some protests have been made by the British High Commissioner and by the British Federation of Industries over the enforcement of this provision. Their opposition is based, of course, on the opinion that it will debar some British goods from the benefits of the preference. On March 4, a week ago, I secured an order from this house for the return of correspondence between the government and the British High Commissioner and between the government and the British Federation of Industries with respect to this matter. I regret that although one week has elapsed I have not received these papers. On Saturday morning I called at the minister's office and was told that they were all ready, but the minister had not given his authority for them to be turned over to me. Of course I am not suggesting that he was withholding them until after this debate, but certainly the matter has been overlooked. I am sorry that these papers are not in my hands, because I should then be in a better position to deal with the question. At the present time the only information I have with respect to the protests made by the British High Commissioner and the British Federation of Industries is what I have gleaned from the newspapers. May I quote from the Manitoba Free Press of February 11 last. In a rather lengthy article dealing with this provision and its effects on interimperial trade the following appears:

[Mr. Campbell.]

Imports of cotton under the preferential tariff will be radically restricted unless the new regulations are modified. Efficiency of cotton spinning, weaving and finishing in England is so great that in many of the early stages of manufacture the cost of raw cotton, 20 cents a pound at the present time, is more than 50 per cent of the sale price of the article. Under the new regulations various cotton goods will be unable to qualify for the British preferential tariff.

And further on:

In the case of low count yarns, for example, the preferential tariff is 10 per cent and the general tariff 20 per cent. Grey cotton fabrics are dutiable at 12½ per cent preferential and 22½ per cent general.

This means actually doubling the tariff on many articles of cotton manufacture. Further on the article draws attention to the fact that Canada's importations of semi-manufactured and manufactured cotton goods in 1928 approximated $33,000,000. It goes on to say that this trade is divided between Great Britain and the United States; the British trade is almost entirely in manufactured goods while the United States trade is at least partly in semi-manufactured goods; and in conclusion the article says:

Therefore the new regulations, unless modified, will be of assistance to the Canadian textile industry.

On this point there is no dispute; the Canadian textile manufacturers are well aware of this feature of the new policy which, by the way, they are strongly supporting. The Canadian Textile Journal of January 17 says:

The new regulation is a progressive step and it should be enforced without qualification or equivocation.

Again I quote from the Manitoba Free Press of February 12, which contained an article dealing with the various commodities which will be affected by this provision. First there is the question of copper, and the article quotes from a memorandum presented to the minister by the British Federation of Industries:

"It is true," says the memorandum, "that copper is imported into Great Britain from within the British Empire but the main source of the world's supply is the United States of America. With the best of intentions British manufacturers will be quite unable to certify that any finished copper article exported to Canada is made of Australian copper and still less of copper from any other part of the empire, for the simple reason that firms importing copper cannot segregate supplies coming from one particular source or another."

Then it refers to the fur industry:

Still another industry to be affected will be fur manufacturing. There are no raw furs produced in the United Kingdom, and while quantities are brought from Canada, a large part comes from Russia.

Then it refers to the matter of velvet, and says:

The raw material of velvet comes from China and Japan and is brought to England where it is woven. Then it is sent to Germany to be fabricated and back to England to be finished.

Then it refers to boots and shoes, and says:

It seems that much of the raw material going into British boots and shoes—leather raw hides—comes from the Argentine. To most people it will seem incredible that the cost of the raw leather should exceed 50 per cent of the cost of the finished product, but it is so represented in Ottawa. No doubt the cheaper grades of boots and shoes are more particularly affected.

Let us analyse these particular items; first there is the question of copper. Under ordinary circumstances it might be said that this provision would compel the British manufacturer to use Canadian raw copper, but at present this will be of no benefit to Canadian copper producers because, as hon. members know, there is a world shortage of copper. Just now it is not a matter of selling our copper; the output has been sold for months ahead, and all the copper mines in the world cannot keep up with the demands of the industry. Copper has risen over 50 per cent in the markets of the world during the last six months, so for that reason this provision will be of no benefit to the copper industry.

Then we come to cotton, and there seems to be no question but that the British cotton manufacturer must purchase his raw material in the United States, which debars cotton from the benefits of the British preference altogether. This affects not only Great Britain but also Australia, New Zealand, Czechoslovakia and France, countries which now enjoy special treaty tariffs.

I would like to point out that from what I have gleaned from the press the British High Commissioner has been very moderate in his demands. He is not asking the Canadian government to repeal this regulation; he simply asks the government that all materials not produced economically within the empire should be exempt and that a list of the articles so exempt should be published as has been done in Australia and New Zealand. I may say that cotton is an outstanding example of these articles. Now may I quote again from a London despatch appearing in the Manitoba Free Press of January 21, as follows:

The British overseas trade department confesses itself surprised at the discovery that certain cotton goods exported to Canada from Lancashire cannot claim more then 50 per cent of their value to be due to British labour. An important official said to me: "I make it my business to watch all that concerns trade relations with Canada and when the regulation requiring 50 per cent qualification for preferential tariff was announced it never occurred to me that textiles would be affected. There were some goods affected of relatively small importance, perhaps only one British firm would be supplying them to Canada, but in this case of cotton it affects Lancashire. I find that the goods causing the difficulty are grey cloths. Raw cotton comes here, is spun and woven and then sent to Canada for bleaching and dyeing. You will see that last year Canada imported nearly 29,000,000 yards of greys, of which more than 9,000,000 went from Britain. It is almost the largest item in our cotton trade with Canada and the new regulation will drive the trade to the United States."

Now I would like to quote again from an Ottawa despatch appearing in the Montreal Gazette of January 18. This includes many figures which go to show that the effect of this provision will be to drive that trade to the United States rather than to Great Britain. It states:

During the first six months of the present fiscal year, Canada imported from the United Kingdom yarns and threads to the value of $2,136,714, an increase of $300,000, as compared with the corresponding six months last year. This trade will be greatly handicapped if not entirely shut off under the regulation effective on February 1 next. On yarns over forties single, Britain has recently been taking the Canadian import trade away from the United States owing to the British preference, the customs duties being 10 per cent on goods from the United Kingdom and 15 per cent on goods from the United States.

Further on there are figures which tend to prove this contention, and then the article proceeds:

The change a fortnight hence will undoubtedly result in dwindling imports from the mother land and increased purchases from the United States. British manufacturers claim that they are helpless, for they must import their raw cotton from the United States. —

If there were any doubts as to the ultimate effects of this regulation and as to the sources from which pressure was brought to bear upon the minister, those doubts may be set at rest by an editorial appearing in the Canadian Textile Journal of November 29 last, which states in part:

Manufacturers and producers will welcome the announcement from Ottawa that after February 1 goods to enjoy the British preference entering Canada will be required to be 50 per cent of empire material and labour, instead of 25 per cent as at present. The new ruling, which was forecast in the last budget, also applies to goods coming into Canada from other countries enjoying special treaty privileges, in which case goods must contain at least 50 per cent of the labour and material of the country from whence imported.

I would like to quote further from an article dealing with this regulation which appeared in the same issue of the Canadian Textile Journal:

> This increase in empire content was foreshadowed by Hon. James A. Robb in his last budget and is due to the repeated demand of Canadian producers. —

So there should be no doubt whatever as to the source from which came the pressure. I hold in my hand a memorandum which was sent to the minister two years ago by the Canadian Manufacturers' Association recommending this very provision, with the exception that in some cases they requested a 75 per cent content instead of 50 per cent. Apparently this memorandum was turned over to the tariff board on May 5, 1926, and it seems not to have been heard by the board at all. Just here I want to point out what I consider a serious discrimination on the part of the minister. A year ago the United Farmers of Canada sent a delegation to wait on the minister asking for certain tariff changes which they considered in the interests of their industry. The minister refused to listen to them and said they must go before the tariff board. It now appears that these textile manufacturers were allowed in by the back door; they were not obliged to go before the tariff board and place their cards upon the table, but when the farmers asked the same thing they were curtly told they must place their case before the board. The following appears in an editorial of the Canadian Textile Journal of December 6th, 1928:

> There is still much to be done on the question of the textile tariff, and it is gratifying to learn that the wool cloth items will be reviewed again shortly either in a public or private enquiry, but it is our opinion that having stated its case publicly this branch of the industry will gain more through private conference with the Commissioner of Customs than by further public reiteration of its adverse condition.

Apparently they were speaking from experience.

Mr. FORKE: If I understood the hon. member correctly, he made the statement that a deputation from the United Farmers of Canada came down to lay their case before the government and were refused a hearing and told to go before the tariff board. I was present at that meeting, and I think the Prime Minister was there, as well as the Minister of Finance and other ministers. Those men made their statement before a committee of parliament, so they were heard when they came to Ottawa.

[Mr. Campbell.]

Mr. CAMPBELL: They must have been told their case could not be considered, because certain members of that delegation came to us and informed us that the minister told them they would have to lay their case before the tariff board. My complaint is that there is discrimination here; these other gentlemen were not obliged to go before the tariff board with their case. I would just as soon have it heard by a committee of ministers as by the tariff board, as long as there was no discrimination in the matter.

The following appears in an editorial in the Saskatoon Star of February 15. This editorial deals with the change which was announced in the method of applying the British tariff, and says:

> When the change was announced it was remarked here that the effect would be simply to cut down the advantage enjoyed by British manufacturers in this market, and just to that extent, to discourage British imports into Canada.

The editorial goes on to itemize the various commodities affected, and in conclusion says:

> Unless something like this is done, the change which occurred this month will be in effect nothing more than a straight increase of tariff taxation on British goods of several sorts. Increases in tariff taxation of any kind are certainly not in line with the declared policy of the government, nor are they demanded by the Canadian public. Least of all is there any call for higher duties on goods from Britain. Our trade with Britain now shows a very heavy balance in favour of Canada. If any change is to be made in the tariff levied on goods from the United Kingdom, the preference should be increased and not cut down. One may expect to see the government questioned on the matter during this session.

I would like to quote from the speech delivered by the minister (Mr. Robb) in this house on March 1, as follows:

> Canada, the pioneer of the British preference, looks on empire trade as the key-stone of its external trade policy and desires in every way to foster closer trading relations throughout the British commonwealth of nations.

In this instance I think the actions of the minister belie his words. The minister continues:

> As the years go by an increasing quantity of our domestic production must necessarily be marketed abroad. It is our desire to trade freely with any and all who are willing to trade with us.

That has been taken throughout the country, and I believe throughout the United States, as a gentle hint to the new government of the United States. But the same kind of hint may be given to us by Great Britain, because we are in precisely the same position with respect to that country as are the United

States with respect to Canada. On reference to the official trade report of the Department of Trade and Commerce, I find that our total imports from the United States in the year 1928 amounted to $825,740,612, while our exports to the United States amounted to $492,-541,120. This leaves what we commonly call an unfavourable trade balance of $333,199,492. This figure is really increased in another way. I noticed an article in the Financial Times of March 8, taken from the Wall Street Journal, protesting against any raise in the tariff on Canadian goods and pointing out that Canada is not only one of the United States' best customers for manufactured goods, but is also one of the best customers for its money. The article stated that up to the end of 1928 there was an investment of United States money in Canada amounting to $3,250,000,000. Taking an annual dividend of about five per cent on that amount, which should be paid by the shipment of goods to the United States, it will be seen that it would increase our unfavourable trade balance to about half a billion dollars. The trade reports show that our imports of cotton from the United States in 1928 amounted to $44,171,933, but of this amount $27,107,186 represents raw cotton, which leaves a balance of $17,064,747 in manufactured goods. I find that our imports from the United Kingdom for the same year amounted to $190,712,351, while our exports amounted to $447,883,646, leaving what is commonly called a favourable trade balance of $257,171,295. This is a trade we should foster and not put into effect regulations which will tend to destroy that favourable trade balance. We imported manufactured cotton from Great Britain to the value of $13,593,034, and our exports to Great Britain of grain and grain products amounted to $325,092,144.

Anything which will tend to interfere with the trade between Canada and England will be fraught with serious consequences for our grain trade. At the present time Great Britain is practically the only market we have for our grain and grain products. It is absurd to say that Great Britain must buy our grain, because there are other countries producing grain. Russia may be in a position in a short time to supply a great deal of the British market, and these other countries are prepared to buy dollar for dollar from Great Britain for the grain they sell. I would like to quote from a speech of Sir Herbert Holt delivered recently at the annual shareholders meeting of the Royal Bank of Canada. Referring to the agitation in the United States for an increase in the duties against Canadian products, he says:

> It would seem that those who propose such tariff changes fail to realize that checks upon Canadian prosperity check the volume of goods which can be bought from the United States, and that on the other hand continued improvement in Canadian conditions brings corresponding increases in the volume of goods which they can sell us. From this viewpoint it might be considered economic statesmanship for the United States to discover means to increase their purchases from Canada rather than to consider measures which will constitute new trade barriers.

Any student of political economy will subscribe to the principle laid down by Sir Herbert Holt, and, paraphrasing his words, let me say: From this viewpoint it might be considered economic statesmanship for Canada to discover means to increase their purchases from Great Britain rather than to consider measures which will constitute new trade barriers. Sir Herbert Holt continues:

> As a last resort, it may be necessary to meet this situation by direct tariff increases and by granting further preference to Great Britain and to most favoured nations.

When a known protectionist like Sir Herbert Holt advocates an increase in the British preference, one would not expect this government, which claims to be a low tariff government, to be putting further trade barriers in the way of Great Britain.

The following is a resolution passed at a recent convention of the United Farmers of Canada, held at Saskatoon:

> Whereas the existence and continuation of agriculture in the prairie provinces depends upon satisfactory markets being found and maintained for wheat;
>
> And whereas at the present time Great Britain buys a very high percentage of our wheat, while the United States virtually excludes it by a prohibitive tariff;
>
> And whereas Great Britain must sell her manufactured goods if she is going to be able to buy our agricultural products;
>
> And whereas it is the avowed purpose of the Republican party to increase the duty against Canadian agricultural products;
>
> And whereas many lines of goods now purchased from the United States could be supplied by the British manufacturers, which could create a greater purchasing power for our wheat and other agricultural products;
>
> Now therefore be it resolved that we call upon the government of Canada to immediately increase the British preference, and provide for successive reductions each year until we have free trade with Great Britain.

Let me appeal to the minister and particularly to the Prime Minister (Mr. Mackenzie King) to implement the pledges and assurances which they gave to the house last year that this provision would not be allowed to do what we know it is doing at the present time. I trust that if the government cannot see its way clear to eliminate the regulation alto-

gether, it will at least modify it to eliminate those products that cannot be economically produced within the empire.

I have just a few moments left and I wish to refer briefly to a matter which was brought up in the house by the hon. member for Acadia (Mr. Gardiner) when he spoke on the address. He drew the attention of the government to an agitation that was going on in western Canada asking for the dismissal of the Board of Grain Commissioners. I am not going to constitute myself a judge of the Board of Grain Commissioners, but this agitation cannot be overlooked; it cannot be dismissed because there is more behind it than a mere demagogic impulse. Resolutions were passed by the United Farmers of Alberta and the United Farmers of Canada calling for the dismissal of the board. I thought, after the matter was drawn to the attention of the government by the hon. member for Acadia, we would have had some pronouncement from the government, and I wish to point out now that we should have some pronouncement. This cannot be ignored and it cannot be delayed.

For some reason or another—I am not going to say just how—certain sections of the Canada Grain Act were ignored and overridden last year by grain companies. Sections 150 and 225 are the ones about which we have heard these complaints. Section 150 of the Canada Grain Act gives to the producer the right to determine the destination of his grain. We know that pool farmers placing their grain in line elevators have been refused that right time after time by private grain companies. Section 225 stipulates the form of ticket that shall be used, and it says that no ticket except that provided by statute or by an order in council shall be used. The ticket to which the hon. member for Acadia referred, and which is commonly called the "hybrid" ticket, was in general use last year. It is not one of those prescribed by statute; it is not covered by any order in council and yet, while repeated complaints were made to the Board of Grain Commissioners, no action whatever, so far as we know, was taken to carry out the law. As I say, we have no government pronouncement of policy with respect to the matter and we are entirely in the dark as to what the government propose to do. There are rumours—I have read them in the press—that the government propose to ask parliament for a change in the Grain Act. It is absurd for the government to come and ask parliament for another change in the Grain Act until we enforce what we have at the present time. That is what the farmers are asking for to-day and until an honest attempt has been made to enforce the act, it is useless to come to the house and ask for other changes. I wish to impress this matter on the Minister of Trade and Commerce (Mr. Malcolm) who, I am sorry, is not in his seat. So far he seems to be very sympathetic to suggestions that were made to him from this side of the house, but I want to point out to him that the temper of the western farmer is such that this cannot be ignored, and neither this government nor any other self-respecting body would want to have its statutes overridden as these have been. The fact that these two clauses in the Grain Act have been overridden during the past year has cost our western pools some millions of dollars. Millions of bushels of grain that should have gone directly to the pool terminals went to the terminals of the line companies. We know what has happened there; the grain is mixed down to what we call the minimum of the grade. The cream of the grain is sold and the premium secured and the skim milk, as it were, is turned over to the pool. In addition to that there are serious complaints of alteration in routing. Many factors that I cannot explain at the present time enter into this, but I wish to impress upon the government that it is imperative that some action be taken at the earliest possible moment with respect to the matter.

Mr. F. W. PERRAS (Wright): Mr. Speaker, in company with other members, I take very keen pleasure in saying a few words in unqualified approval of the budget, so ably prepared and presented by the Minister of Finance (Mr. Robb). Ordinarily, a budget, being composed almost entirely of figures, makes very dry and uninteresting reading; but in the present instance at the very outset vivid interest is aroused by the figures quoted, in view of the fact that they mean a substantial reduction in our net debt of $50,984,137.17 for the fiscal year 1927-28, and that the estimated total revenues for the fiscal year 1928-29, ending March 31, will be in the neighbourhood of $454,942,000. Nothing can speak more highly in favour of the present administration than these figures, and, when the increases of $28,000,000 in customs revenue, $6,000,000 in excise duties, $1,900,000 in income taxes, $660,000 interest on investments, and $840,000 from miscellaneous sources are taken into consideration, even the youngest student of statistics is struck by the results. A rapid calculation of revenue and expenditures gives the gratifying result of $69,782,000 of estimated surplus revenue.

The scrupulously clear compilation of figures prepared by the hon. Minister of Finance shows that Canada's finances are in competent hands and that we need have no fear of mismanagement. Figures do not lie, and the substantial increase in revenue over expenditures can mean nothing but commendation of the government and its methods. No effort has been spared to place before the public, in a most implicit manner, undeniable proof of honest endeavour, combined with ability, to place Canada on an enviable footing. Progress is the watchword.

There is something in this year's budget to meet all requirements. The reduction in the sales tax will please the purchaser; the reduction in the national debt will please everybody; improvements in various services have been carried out, and although there is bound to be some criticism—for if there were no criticism there would be no opposition—yet there is no denying that this government has done wonders.

It is indeed a very great honour, Mr. Speaker, of which I am deeply appreciative, to represent in this parliament the county of Wright. Situated as it is along that wonderful valley of the Gatineau—and I may say in the heart of the Laurentian hills—it is unsurpassed in beauty and in picturesqueness by any portion of the so-much talked of and so much admired Swiss Alps. I doubt indeed if the grandeur of the Rockies can compare with the beauty of the Gatineau valley and the Laurentian hills. But, sir, I am not only concerned about the physical features of that wonderful country; but I am even more anxious to see that the interests of those pioneers be looked after as a component part of this great dominion. I am satisfied that those interests, diversified as they are, have been well safeguarded by the policy of the Liberal government, and particularly by the budget speech of the hon. the Minister of Finance.

Of course we all know that agriculture is at the base of the national prosperity of Canada, and that to that hard-working, self-sacrificing and patriotic class we owe a great deal. But I feel that by virtue of the Liberal policies those interests are well protected under the able administration of the present Minister of Agriculture (Mr. Motherwell). I want to state clearly that this basic industry of agriculture must continue to be safeguarded, to be properly looked after, and that the interests of those who contribute such a large part to our national existence should continue to receive all the care and attention to which they are so well entitled.

Now, Mr. Speaker, there is one subject on which I must say a few words—the Beauharnois project, which loomed up not so very long ago as a mountain of contention and resolved itself into a national windfall. There is no doubt whatever that the realization of this enterprise will mean a lasting benefit to Canada. The bugbear of a monopoly of untold magnitude has been duly enlarged upon, but this argument was met by such an able refutation that even those who wavered in their allegiance became firmly convinced of the necessity of supporting this measure.

The Prime Minister (Mr. Mackenzie King), in laying before the house all the data in connection with this undertaking, left nothing to be guessed at; with the exception of the technical details that must necessarily be left to expert engineers, we know all there is to be known about this great national enterprise. The findings of the advisory board, the decisions arrived at in conference, and the wording of agreements have given us ample assurance that Canadian rights will be protected in every possible way and no serious-minded Canadian citizen can possibly feel alarmed because an undertaking of great magnitude has been consummated. There are, of course, conscientious objectors, but the really fair-minded, far-sighted business man could not but feel that he is in duty bound to give the project favourable consideration.

In conclusion, Mr. Speaker, I must say that one does not need to be an incurable optimist to feel elated over the success that has attended the efforts of this administration, and even the confirmed pessimist will eventualy, if he finds it too difficult to become a convert, silently fold his tent, and, like the Arabs, steal away. I do not want to pose as an extremist in fair weather prophecy, but the figures have been tabled, concrete results have been shown, and deficits are conspicuous by their absence—what better proof could be asked for?

On motion of Mr. Brown, the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.40 p.m.

Tuesday, March 12, 1929

The house met at three o'clock.

MESSAGE FROM THE GOVERNOR GENERAL

ACKNOWLEDGMENT OF ADDRESS

Mr. SPEAKER: I have the honour to inform the house that I have received the

following communication from His Excellency the Governor General:

I have received with great pleasure the address you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

Willingdon.

Government House, Ottawa.
8th March, 1929.

REPORT OF COMMITTEE

Fourth report of the select standing committee on railways, canals and telegraph lines.—Mr. Cahill.

AGRICULTURE AND COLONIZATION

FIRST AND SECOND REPORTS OF SELECT STANDING COMMITTEE

Mr. W. F. KAY (Brome-Missisquoi) presented the first and second reports of the committee on agriculture and colonization. He said:

With the unanimous consent of the house I beg to move:

That the first and second reports of the select standing committee on agriculture and colonization be concurred in.

Hon. R. B. BENNETT (Leader of the Opposition): The second report, as I understand it, dealt only with the committee sitting while the house was in session, and there was no recommendation about hearing witnesses or dealing with problems of wheat grading as, it was suggested, would be in the report. The report as read did not contain that.

Mr. KAY: These two reports ask, first, for permission to sit while the house is in session, and, second, that the committee be allowed to print its proceedings from day to day for the information of the members. It is true that in the committee this morning a motion was passed asking for an enlargement of the reference to the committee, but I am sorry to say that I was not able to have that report prepared for to-day.

Mr. BENNETT: There is no objection.

Motion agreed to.

MARINE AND FISHERIES

FIRST REPORT OF SELECT STANDING COMMITTEE

On motion of Mr. William Duff (Antigonish-Guysboro) the first report of the select standing committee on marine and fisheries was concurred in.

POST OFFICE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 76, to amend the Post Office Act.

[Mr. Speaker.]

Some hon. MEMBERS: Explain.

Mr. CHURCH: This bill is to restore to the Post Office Act the words "His Majesty's Mail" which were the words used in the days of the old provinces of Canada before confederation. When the statutes were revised a couple of years ago the words "His Majesty's Mail" were struck out and the words "Canada Mail" inserted. The object of the bill is to restore the former words.

Motion agreed to and bill read the first time.

MOTOR AND PLEASURE BOATS

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I should like to ask the government if an order in council has been passed imposing a tax on motor boats and other pleasure boats. If so, why has that been made to apply only to the Muskoka lakes?

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend I may say that taxes are never imposed by order in council.

GERMAN IMMIGRANTS AT TORONTO

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): I would like to ask the Minister of Labour whether, in view of the importation by the Rapid Grip, Limited, of Toronto, of a number of mechanics from Europe to displace the men who were working for that company, is it the intention of his department or the government to introduce legislation to prevent an occurrence of that kind in future?

Hon. PETER HEENAN (Minister of Labour): I do not care to state at this moment what the policy of the government may be, but I said on a previous occasion that I thought, in view of the fact that the employers of labour and those who were out on strike had arrived at a basis of agreement, it would not be in the interests of the agreement itself that we should discuss the matter on the floor of the house.

GRADING OF GRAIN

WHEAT—INQUIRY RESPECTING REPORT ON PROTEIN CONTENT

On the orders of the day:

Mr. E. J. GARLAND (Bow River): In the absence of the Minister of Trade and Commerce (Mr. Malcolm), might I direct a question to the Prime Minister? Last year the select standing committee on agriculture and colonization considered a resolution referring

to the protein grading of wheat or the grading of wheat having regard to the protein content. Arising out of that committee's work a recommendation was made to the house, including amongst other things, a request for an annual report or a report this year by the National Research Council and the Board of Grain Commissioners to the Department of Trade and Commerce. I would ask the department, if that report has been received, to table it, and, if not, to state when such a report may be expected.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall have pleasure in directing the attention of the Minister of Trade and Commerce to my hon. friend's request.

THE BUDGET

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

The house resumed from Monday, March 11, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment thereto of Hon. Hugh Guthrie.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, the few remarks that I shall make in connection with this debate will be directed towards certain statements that have been made and certain opinions that have been expressed with which I may presume to differ. My remarks will refer particularly to the arguments that have been used in favour of increasing the duty on agricultural products.

The hon. member for South Wellington (Mr. Guthrie), in his capacity as acting leader of the opposition, made a very able address setting forth what is undoubtedly the position taken by the Conservative party throughout Canada in regard to the tariff. It is evident that the pussy-footing attitude of the Winnipeg convention is to be departed from, and that they are now lined up under the banner of a higher protective tariff. Hon. members opposite are to be congratulated on that fact. They are also to be congratulated on the very able presentation made by the hon. member for South Wellington. The hon. leader of the opposition (Mr. Bennett) is to be congratulated on having a lieutenant who so ably performs the duties of that office when he finds it necessary to be absent from the house.

There were, however, expressions used and statements made which, I think, will bear some examination. The hon. member for South Wellington endorsed the statement that has been made so frequently that Canada is enjoying a season of unbounded prosperity. In a very large sense that is true judged by the tests that are usually applied—the test of bank clearings, carloadings, railway earnings, exports and imports. Undoubtedly Canada is enjoying a season of great prosperity. But then he went on to say that that prosperity was confined to the large cities, that it had not yet reached the small villages and towns and the rural sections. Again, in large measure, I agree with the hon. member for South Wellington. I had a conversation with a merchant in our local town just before coming east, and he made a remark to me something to this effect: "We talk about prosperity, but it has not yet reached us."

I admit that times are not as bad as they were six or seven years ago. The years immediately following the close of the war found the farmers of Canada in a desperate condition. The price of agricultural products had fallen to an alarming degree while prices in other lines had not come down, and during the first session that I was here I made a statement that was absolutely true, that I had to sell nineteen head of cattle and put aside $125 in addition to pay the wages for one hired man during the year. But though conditions are not as bad as they were six or seven years ago, in a large measure it can be said that a condition still obtains particularly in regard to our major product—wheat—under which everyone who handles that commodity makes money out of it except the man who produces it. It is quite possible, Mr. Speaker, to produce an enormously large crop, a crop that is the main factor in the financial prosperity of Canada to-day, and yet produce it with little or no margin left for the producer after the expenses of production have been met. It is not the volume that counts; it is the margin of profit that remains for the producer. If to-day we were getting that twenty cents or twenty-five cents that we would like to get—that is, the twenty-five cents a bushel less that we are getting for wheat to-day as compared with a year ago—on the 400,000,000 bushels that have been produced, it would mean all the difference between comfort and distress on the farm. So I say, Mr. Speaker, it is not the volume that counts, it is the margin of profit. I can imagine that there were times of great prosperity before the civil war in the southern states, that prosperity was abounding, and yet the men who did the work got only their board and clothes out of it. There are many people throughout Canada to-day

who are contributing very largely to the great mass of production who are scarcely getting their board and clothes out of it. There are those who seem to think that the farmer is not entitled to a margin of profit, and if there appears the slightest indication that there is such a margin, they begin at once to move heaven and earth to find out how they can take it away from him. Just about a month ago I saw an article in the Montreal Gazette dealing with the question of the Crowsnest pass rates, and in that article this very sage remark was made, that if it had not been for the restoration of those rates the railway companies would be making so many million dollars more. We know, of course, that they would have made so many million dollars more, but those millions undoubtedly would have been taken out of the already depleted pockets of the wheat producers of the prairies.

Up to this point I have agreed fairly well with the hon. member for South Wellington, but here we must part company. We agree on the diagnosis of the disease but we do not agree on the remedy. The hon. member for South Wellington says that with one stroke of the pen all these economic evils can be corrected, and he proposes to use that pen to make increases in the tariff all along the line. And particularly has this been urged in regard to agricultural products. I am firmly convinced, Mr. Speaker, that increased protection on agricultural products cannot ultimately redound to the benefit of the producer. I oppose the increase for two reasons, first in regard to our major products on which we are still on an export basis. The mere putting on of a duty will not affect the price, for the price on the home market is always determined by the price on the export market. I oppose that policy because if the farmers of Canada should succumb to the temptation to seek higher duties on their own products we would immediately be met by demands from all other quarters for the raising of the tariff on their products, and our last state would be worse than the first.

We are asked to look to the United States. Well, let us look. For over a century the farmers of the United States have been responding to the cry for higher and higher protection. They have followed in the trend of the protected manufacturer. What is the meaning of this cry for farm relief? No expression was heard more frequently during the last election in the United States than that demand for farm relief. I had hoped a year or two ago that the farmers of the United States had seen the folly of their position. I had hoped that they had seen that it was not possible in the final analysis to protect them by means of tariff, and that they were seeking relief along other lines, by such bills as the McNary-Haugen bill. Not that I care to endorse that as economically sound, but I had hoped that they had found out that the farmers cannot be protected by tariffs. But it does seem that they have gone back to their old position and are now asking for higher tariffs on their products. It may injure us if these are granted, but it will be of no benefit to themselves, for the reason that their imports from Canada form an infinitesimal portion of their total production and consumption. The probability is that it will not affect their prices in the slightest degree.

I wish to direct my attention now to some of the articles that have been mentioned on which it is urged that higher duties should be placed. I shall not deal with the question of wheat. I do not think it requires any argument to convince hon. members that a duty on wheat would be of no value to the Canadian producer of wheat. We might make the duty five dollars a bushel and it would not affect our market price in the slightest degree. In a large measure, the same can be said of oats and barley. I want to come, however, to another of our products to which a great deal of attention has been directed. I refer to butter. It has been urged upon us that the dairy industry is suffering because of a large importation of butter. In my judgment, the dairy industry is one of the most prosperous industries in the country to-day. Protectionists make the mistake, whether deliberately or otherwise, of fixing their attention entirely upon one article, taking into account only one phase of the question; whereas we should look at the dairy industry in all its aspects and from a broad standpoint. As reported at page 792 of Hansard the hon. member for South Wellington —I think he was referring to last year— said that we imported milk and milk products, exclusive of butter, amounting in value to $2,370,000. I do not think there was any intention to mislead as regards the figures, but I cannot understand where the hon. gentleman got those figures.

Mr. GUTHRIE: From the trade and commerce report for 1928.

Mr. BROWN: I have here from the Bureau of Statistics figures of our imports of milk and its products. These are for the calendar year 1928.

Mr. GUTHRIE: Mine were for the fiscal year as published by the department.

Mr. BROWN: Even for the fiscal year I am inclined to believe there must be some

discrepancy, as I will show. For the calendar year 1927 our imports were $676,629, and for 1926 they were $533,957. So even if we take the fiscal year to March, 1928, we could not reach the figures that he has given. However, that is not the important part of my argument.

Mr. GUTHRIE: I will get the report.

Mr. BROWN: I am going to take the figures for the calendar year 1928 which I have received from the Bureau of Statistics, $643,745—

Mr. STEVENS: What classification does that give?

Mr. BROWN: This gives all the milk products.

Mr. BENNETT: Does it include condensed milk?

Mr. BROWN: Yes, milk and cream, fresh, butter, casein, cheese, condensed milk. I want the house to notice, however, that of this $600,000 odd, $544,373 represents our imports of cheese. The great bulk of these imports comes from European countries and undoubtedly is made up of varieties of cheese that we do not produce in Canada, and therefore such cheese cannot in any real sense come into competition with our own product. I ask hon. members to keep that half million dollars in mind. Now let us turn to our exports of cheese. In the calendar year 1928 we exported to the value of $25,467,642. That is, on cheese alone we have an excess of exports over imports of $25,000,000. I turn to butter. According to this same schedule we imported $5,937,170 worth of butter, most of which of course came from New Zealand; but we also exported during the year $805,055 worth; that is, there is an excess of imports over exports of $5,132,115. But that does not tell the whole story of the dairy industry. We exported a number of other milk products in large quantities, for instance:

Milk powder	$ 541,064
Condensed milk	2,324,044
Evaporated milk	598,601
Casein	33,892
Cream	5,593,399
Milk, fresh	866,920

A total of $9,957,920. That is, apart from cheese and butter we exported milk and milk products to the value of almost ten million dollars, nearly double our importation of butter. So the total excess of our exports of dairy products over our imports comes very close to thirty million dollars. Under such conditions as those it does not seem to me that the dairy industry is really declining. I have not been able to get the production figures of butter for 1928, but I have the figures for 1926 and 1927. They are given as $90,000,000 for 1926, and $96,000,000 for 1927. Then it is urged on every hand, and we believe it is true, that the home consumption of dairy products has very greatly increased during the last year or two. It is reasonable to suppose that that would be the case. We are told that the American tourist traffic means about $246,000,000 to Canada every year, and naturally dairy products would form a very large proportion of that total.

Mr. EDWARDS (Frontenac): May I ask the hon. gentleman a question? He maintains that in the last year or two, to go no further back, there has been an increase in the amount of milk used in the production of butter and cheese. Was there an increase in the amount of milk used in the production of butter and cheese in 1928 as compared with 1927 or 1926?

Mr. BROWN: I cannot answer that question. It is not always possible to state the exact amount of milk that was used in the production of those commodities. What is the value of our production of them must necessarily be a matter of estimate, especially in the case of butter produced on the farms, but it seems to be the general opinion that the consumption has very substantially increased in Canada. There is good warrant for that belief. As I have said already, the American tourist traffic is said to be worth $246,000,000 to Canada annually, and in the very nature of the case we would expect a large amount of that to be represented by dairy products. Then we know there has been a great development in the mining industry, and in fact all along the line. Take the one item of ice cream, everybody knows that the manufacture and consumption of ice cream has increased enormously in the last year or two.

Mr. McGIBBON: Might I ask the hon. member a question? Does he not know that the production of butter fat, the basis of the whole thing, has decreased in the last few years?

Mr. BROWN: The hon. gentleman may make that statement if he likes, but he should not ask me to say if I do not know. I wish to read a brief extract from the report of the Manitoba Cooperative Dairy that I received last night—

Mr. ERNST: May I ask the hon. gentleman a question?

Mr. BROWN: I am not averse to answering, but I have only a limited time in which to speak and therefore I do not care to be

interrupted. I was about to say that I happened to be a small shareholder in the Manitoba Cooperative Dairy, and the following is a passage in a letter they have sent out:

Dear Shareholder:

We are pleased to report the past year as the most successful in the history of our association; as you will note from the enclosed financial statement, 1928 shows a net surplus of $36,545.12; this is the largest surplus we have recorded in any year;

There is another matter with which I wish to deal, because of an incident that occurred in this house last year. During a debate at that time I interjected the remark that we did not import hay into Canada. When I made that statement I did not intend it to be taken quite literally, for I knew that we did bring in some hay; I was aware of that fact, as I had pointed out on a former occasion, in 1926, when I spoke on the same subject. I did mean, however, that our imports of hay as compared with our exports were almost negligible. The hon. member for Frontenac-Addington (Mr. Edwards) was good enough to tell me that I did not know what I was talking about.

Mr. EDWARDS (Frontenac): The hon. gentleman has just admitted that he did not.

Mr. BROWN: But I did know; I have admitted nothing of the kind. I knew quite well. At any rate, I know now exactly what I am talking about, if the statistics are to be relied upon. I have the figures in this case for the fiscal years from 1923 to 1928, inclusively. I shall not give the value but simply the number of tons imported and exported. The table is as follows:

Year	Imports tons	Exports tons
1923..	37,040	58,300

Evidently 1923 was a bad year for hay in Canada, for the exports were the smallest of any of the six years for which I have the record, while our imports in that year were larger than the total for the four succeeding years. To continue:

Year	Imports tons	Exports tons
1924..	13,870	332,293
1925..	10,282	225,403
1926..	8,493	368,787
1927..	5,464	321,733
1928..	8,484	171,164

In both cases trading was done chiefly with the United States, with Great Britain second. That is to say, for these six years, the proportion of exports to imports varied all the way from 20 to 1 to 60 to 1. Under such circumstances, will anyone seriously contend that an import duty, if it were raised to $4 a ton, as advocated, following the United States, would be of any value to the Canadian farmer? And remember that when we export hay the average price is in the neighbourhood of $10 a ton, whereas when we import it the price is about $15 a ton. So that it would mean an additional tax of about $2 a ton upon hay.

Let me now refer to the question of hides and skins. The hon. member for South Wellington (Mr. Guthrie) quoted figures to show that we were importing $14,000,000 worth of hides, $10,000,000 being from the United States, while we were exporting about a similar amount; and he indicated something to the effect that these were simply cross entries and that we might wipe the whole thing off the slate and use our own hides instead of importing from the United States. If the hon. member had taken more than a superficial view of the question he would not have assumed that position. It is true that we import hides to the value of $14,000,000 odd, from the United States $11,164,668, while we export to the United States $11,266,660 worth of this product. But there is this point to which I would call the attention of the house: That class of hides which forms the great bulk of our imports and exports consists of raw cattle skins, that is, the heavier hides. Now, on the hides we imported we paid a little more than 23 cents, and for the hides we exported we received 19 cents. Someone may say, "That is bad business; why export hides at 19 cents and import at 23 cents?" But a little close thought will surely convince anyone that there is a reason for this. The Canadian tanner is surely a business man who can be trusted to buy what suits him, and therefore he pays that 23 cents for the class of hides he wants because he cannot get them in Canada. When I made a similar statement three years ago it was absolutely endorsed by Colonel Mullins, of Marquette, who has had a large experience in the cattle business and is familiar with the tanning industry. He absolutely endorsed the statement that the class of hides—or at least a large proportion of the hides—which the Canadian tanner requires cannot be obtained in Canada, so that he is obliged to go elsewhere for them. But we cannot consider this question of hides by itself; we must take into account the whole business of buying and selling hides and tanning them into leather, and also the selling of the leather. I notice that we sell to the United States such grades of leather as harness, sole leather, upper leather, with a very small quantity of other leathers, the total being $7,682,521. That is the country with which we cannot compete in these mat-

ters. So that the total figures would indicate a situation something like this: Our excess of exports of hides and unmanufactured leather, so far as the United States are concerned, gives us a favourable balance—to use the term which is commonly employed—of something over $3,000,000; and taking our total exports into account we have a favourable balance of about $1,500,000. Now, if by one stroke of the pen a duty is imposed on hides, what do we do? We simply make it so much more difficult for the manufacturer, the tanner, to obtain his raw product, and we strike at this very profitable business which he is carrying on with the United States and other countries, securing no benefit for ourselves. The probability is that if we insisted on handicapping the manufacturer of leather in that way we should put him in the position where he would not be able to pay as good a price for that proportion of our own hides which he now uses.

I think I have shown that on some of our major products a protective tariff would not only do no good but would in some cases be actually harmful. If, however, it is decided that the people of Canada should not eat foreign produce, then I want to go the whole distance and not part of the distance. If we should not be eating fresh fruits and vegetables from the United States, then let us put on an absolute embargo. I do not propose to take the position which will make it possible for those who live at the Chateau and at high class clubs, or in wealthy homes, to obtain these products, while the poorer people who are now using them in large quantities shall be deprived of the privilege. I wish to see us all on the same basis.

Now, Mr. Speaker, from the standpoint of the ordinary consumer I confess that there is not a very great deal in this budget; it does not contain much meat, of course, but we may be glad that it does not contain any poison. I am firmly convinced that the greatest danger to be faced by the Canadian producer to-day is that propaganda which will be carried on throughout the country to induce him to accept the principle of higher protection for his own products. I am sufficiently human to feel that if a man hits me I would like to hit him back; I am not defending that attitude but am simply making a confession, as the hon. member for Vancouver Centre (Mr. Stevens) said the other day. We can understand that attitude—

Mr. BENNETT: That is a reservation for self defence.

Mr. BROWN: I heard it put this way the other day, so it is not original with me: We can understand a man, when he is struck on his right cheek, striking the other fellow on the left cheek; that may not be a very admirable disposition, but we can understand that feeling. Perhaps we can even understand the Christian doctrine, even though we do not practise it, that when a man strikes you on the right cheek you should also turn to him the left, but the one thing we cannot understand is the man who, being struck on his right cheek, strikes himself a blow on his left cheek. That is very similar to the Japanese revenging himself upon his enemy by committing suicide upon his enemy's doorstep.

It would be most regrettable, Mr. Speaker, if we should engage in anything of the nature of a tariff war, by which we would hurt ourselves and do no one any good. It is generally conceded now that nobody wins in war; everyone loses. We may appear to win for a time, but ultimately everyone loses and that is equally true in a tariff war. As I have said already, the United States may hurt us with their tariffs but they cannot do themselves any good, and ultimately they will find that to be true; they may appear to enjoy some benefit when the tariff is first raised, but matters will readjust themselves in a short time and they will find themselves in the same relative position.

For the reasons I have indicated, Mr. Speaker, I feel compelled on this and on every other occasion to oppose the principle of increased tariffs on farm produce as a means of maintaining the prosperity of the farmer. Relief must be sought along other lines; we must seek it by reducing rather than by increasing the farmer's cost of production.

Mr. C. W. BELL (West Hamilton): Mr. Speaker, the hon. gentleman who has just taken his seat was generous in his opening remarks in congratulating various hon. members of this house. I think one may very fittingly congratulate the hon. member for Lisgar (Mr. Brown) in turn because, while one may find much with which to disagree in what he said, the hon. member has offered the first attempt at serious criticism to come from hon. gentlemen opposite, so far as I have heard, with regard to the speech, delivered by the hon. member for South Wellington (Mr. Guthrie) the other day, a speech which will be so long remembered by everyone who heard it. With the exception of the arguments presented by my hon. friend from Lisgar this afternoon the house has heard no serious attempt to deal with any of the propositions then advanced by the hon. member for South Wellington. It is quite

true that we had the privilege, which we should have missed had we been deprived of it, of hearing once again from the hon. member for Stanstead (Mr. Baldwin); it is quite true that we were regaled by the Minister of Agriculture (Mr. Motherwell) in his own inimitable way, but until we heard from the hon. member for Lisgar this afternoon there had been, I repeat, no serious attempt to deal with, to meet or to criticize in any way those figures, facts and conclusions placed before the house the other day by the hon. member for South Wellington.

Instead of any serious attempt at argument we have been met with the reiteration of that platitude—for in reality it is only a platitude after all—which has been so widely broadcast throughout this country that we are enjoying a great and unexampled prosperity. This was the key note of the entire budget speech delivered by the Minister of Finance this year; this was the key note which he emphasized last year, and one might say it was introduced as a counter-irritant, much as a dentist tells you that what he is about to do is not really going to hurt and that you must keep your mind fixed on something else. As I have said, the Minister of Finance stressed this prosperity as the key note of his budget speech last year. In presenting his budget, on February 16, 1928, he said:

> . . . . seldom have the annual statements from leaders of finance and industry throughout Canada so generally reflected such progress and prosperity as that of the year 1927.

Will the house mark these words, that the test is the annual statements from the leaders of finance and industry. In presenting his budget this year, the Minister of Finance said:

> Canadians to-day are prospering. Employment is at a high level.

I know of but one true test of prosperity, Mr. Speaker: What are the working and living conditions of the wage earners, whether they be upon the farm or in the city? What are the conditions of the men and women who labour with their hands, the makers and the keepers of small homes? We heard from the hon. member for Wetaskiwin (Mr. Irvine) in the very able speech he made the other day; we heard from the hon. member for Last Mountain (Mr. Fansher) only last evening, and we heard from the hon. member for Lisgar (Mr. Brown) to-day as to the condition in which the farming community finds itself at present. But some will say, "There is prosperity in the larger cities; your own people will tell you so and the leaders of finance and industry will assure you of it."

It is because that has been so stressed; it is because it has been put forward as an excuse for all the deficiencies and wants of this budget, and the course pursued by the government, that I propose to address myself in the time at my disposal to a consideration of how far this alleged prosperity actually exists in those same large cities.

As an example, I will take the largest, richest city in the province of Ontario, the city of Toronto, and in order that I may not be accused of bias, I will refer to two great Liberal journals; to the two great pillars of the Liberal party in the province of Ontario—the Toronto Globe, pillar of cloud by day, and the Toronto Daily Star, pillar of fire by night. I will refer particularly to the pages of the Toronto Daily Star, that paper whose slogan is: Enterprise, efficiency and accuracy. We should expect authentic information from this paper, and in going back to that period of which the Minister of Finance (Mr. Robb) speaks I notice an article in that paper of August 30, 1927, at the time of the bountiful harvest of that year, which graphically describes the condition of thousands of wage-earners in the city of Toronto. The Star refers to the condition of one family, which it says is typical of many, and headlines the article thus:

> Brave family to end of their resources
> Child breaks down through malnutrition.
> Father out of work for a year.

The article continues:

> They stuck to it through thick and thin until at last one of the children broke down under the strain. Malnutrition in reality, starvation, pure and unadulterated.

The article goes on to say that while some people were making money at that time this was the condition of over a thousand such families in Toronto, living in utter destitution, and who came through the last long winter no one knows how and whose only outlook was to face another such experience. Such was the prosperity of thousands of city wage-earners under the Robb budget during the time of the bountiful harvest of 1927. Someone might say that that condition was only temporary, and to refute that argument I turn to the Toronto Star of December 7, 1927, which describes how scores of wage-earners and workers were living in Toronto at that time. The Star speaks in particular of a deserted woman who was struggling to keep six little children alive, and to use its own words:

> Here the deserted mother eked out an existence upon city allowance in one of a score of dens similarly inhabited and brushed by the pestilential blow of poverty.

The article goes on:

The street was a mere tunnel through rotten houses. . . . shacks and dens where women live and children play—and die.

A pleasant picture of prosperity in Canada during the year of grace, 1927. Let us take the year 1928, when we had the greatest of all crops and the greatest possibility for national wealth, impeded as those chances were by some reasons which have already been given to the house. In the Toronto Star of August 10, 1928, we read of yet another typical, large city family. The article describes a man and wife with five children, the man left without a position through an illness of three weeks. He was without employment for one solid year although he had sought for any job that would keep body and soul together. But the level of employment was so high that he could not reach any of it, and so he went down and out. He had never learned how prosperous he was; he had never read the statements of the leaders of finance and industry. We shall hear presently from the Minister of Trade and Commerce (Mr. Malcolm) and he will probably tell us a great deal about seasonal employment. May I respectfully suggest that when the hon. minister approaches the house with his arguments on the question of seasonal employment, he will explain just what particular season would have been open to these unfortunate people when they sought work without return day after day, week after week, month after month for years at a time.

Coming a little nearer to the present season, I read in the Toronto Globe of Wednesday, November 14, 1928, of a soldier who had served his country well but was forced to leave it. The article reads in part:

A decorated ex-aviator, artillery officer and British secret service operative, with high educational qualifications and impressive military recommendations, and with seven years, continuous service to his credit, is to be Canada's loss and the United States' gain as a result of his inability, in spite of two years' effort, to find suitable employment in the Dominion.

There were others who could not go; there were others who had to remain, and I see, by reference to the Toronto Star of December 18, 1928, how some of them were found at that time working their way around by singing and playing musical instruments in the streets. The article continues:

The men satisfied Chief Draper, through references from well known firms, that they were employed through no fault of their own. The chief sent for Captain Charles Nash, secretary of the Toronto and District Council of the Canadian Legion, who informed him that he could do little toward finding work for the two and who added that dozens of members of the legion are unemployed.

"I feel it is a disgrace that men like these should have to stoop to what is only one stage removed from begging to provide for their families," the chief declared.

In the Toronto Globe of January 5, of this year the following article appears:

Long Bread Line For Midday Meal
Yonge Street Mission Fed 350 Hungry Men Yesterday

Evidence of need and hunger has been manifest at the Yonge Street Mission during the past few weeks and Mr. Davis yesterday told the Globe that although the twice-weekly free meals are only beginning this week, from 100 to 150 lunches have been daily handed out to men who in many instances have been eager for even dried crusts of bread.

Then, Mr. Speaker, I come to March 2, 1929, the day after the Minister of Finance delivered his budget speech in the house. On page 4 of the Toronto Daily Star of that day the following streamer appears:

Hon. James Robb's Tax Reductions Reflect Canada's Prosperity

But on turning to page 2 of that same issue, I find the following heading over a photograph of a long line-up of destitute men on Yonge street:

Staff of Life for the Hungry

Underneath the photograph, we find the following:

Here is surprising confirmation of numberless hungry mouths and tight belts that stalk abroad within the limits of the city of Toronto during the cold, cheerless months of winter. These are the "rank and file" of the "legion of the unemployed". Yesterday 3,500 beef sandwiches and 100 gallons of coffee were distributed to the "wanting".

How that line-up of cold and hungry men must have felt a warming glow, if any of them possessed the two cents to purchase a paper, after reading about the Minister of Finance's tax reduction. Imagine a settlement worker entering one of those homes which the Star describes so graphically; he sees the condition of the shivering inhabitants of the "shack", as the Star calls it, and his heart is wrung with pity. But he says to them, "We would like to do much for you but unfortunately the demands upon us from the thousands of unemployed in this city are so great that we are not able to do half of what we would like to do. We are short on clothes; we have not very much food to give you, but there is one thing I would like you to appreciate: Do you realize that the net debt reduction of the fiscal year of 1927-28 was $50,948,137.17?" The man looks up from his miserable pallet which, according to the Star, serves as his only bed, and a new light

comes into his eyes as he says: "What, Sir, is it really true? Was the actual net debt reduction for the fiscal year of 1927-28, $50,948,137.17?" The visitor replies: "Yes, my poor fellow, I do assure you that the actual net debt reduction for the fiscal year of 1927-28 was $50,948,137.17." "Then" comes the answer, "I starve in peace." How can we ever be sufficiently grateful for the real information given us by these two great Liberal journals about the actual position of affairs in our large Canadian cities? Shall we not be full of gratitude to both these pillars of the Liberal party that makes us so aware of the full measure of our mercies and, particularly, to the Toronto Daily Star, that journal of enterprise, efficiency and accuracy? How far that little candle throws its beam across our prosperous province!

I notice that if we pass from the ranks of those who toil with their hands and come to another numerous class, we have those who are spoken of as the "white collar" workers, many of them in the employ of this government, such as postal clerks, letter carriers, civil service employees generally. How they must have thrilled to learn that the government shows a total revenue of $454,942,000; that the government proposes to pay out of surplus revenue the $60,000,000 loan maturing August first next, and to realize that meanwhile in the employ of the government are scores of married men with families who are working for the magnificent sum of $65 a month, or $20 a month less than the amount officially stated in the government's own publication to be requisite to purchase the bare necessities of life. If there is any greater reproach to be laid at the doors of any English-speaking government anywhere, I thank heaven I do not know of it.

Elsewhere in the budget we read that the estimated total expenditures are $385,160,000, out of which not one cent is to be expended on technical education, which doubtless takes its place beside old age pensions as an exemplification, in the eyes of the government, of a vicious principle.

But I started by saying that I too was anxious to congratulate where congratulations are possible, and I venture to extend my congratulations not only to the Minister of Finance but to other hon. gentlemen on that side of the house. For example, I desire to congratulate the Minister of Immigration (Mr. Forke). True it is that the results in his department show that last year was the leanest and poorest for many years in this country; but when we consider the blessed state of the workmen, as revealed by the Globe and the Star, and when we appreciate what the Robb budgets have been doing for those men, let us congratulate the Minister of Immigration that there is any immigration at all.

I desire to congratulate my good friend the Minister of Labour (Mr. Heenan) who was successful, either personally or by deputy, only about ten days ago in settling the strike of the textile workers in the city of Hamilton. What had caused that strike, by the way? It had been caused by the fact that the action of the government, following the budget of last year, had been such that the workers were compelled to take on much additional work, many longer hours, at the same pay which they had been receiving theretofore, or the works would have had to close down. They rebelled against that; they struck. The conditions were investigated. It was claimed that the manufacturer, a wolf in sheep's clothing, was trying to grind his men, but it was discovered upon investigation that the budget of 1928 had left those workers in such a position that they would either have to accept added work, added hours, without any more pay, or go without a living at all. Therefore they went back to work and I congratulate the Minister of Labour upon that discovery.

I desire to congratulate the Minister of Finance upon a very recent conversion. About a year ago when the estimates were up in the house, I pleaded with him to have the Minister of Public Works (Mr. Elliott) permitted something more than the magnificent sum of $31,000 for widening and deepening the Burlington channel, a work which the Minister of Public Works agreed was absolutely necessary and the cost of which the engineers of his department had placed at $1,500,000. The Minister of Finance chided me severely for advancing the ridiculous proposition that more than $31,000 should be devoted to that work, but I see in the estimates which are brought down this year that there is to be allotted to that work one-third of the $1,500,000 which the engineers declared necessary. I congratulate the Minister of Finance upon his conversion and I give him my honest assurance that I propose to watch very carefully the coming of the other $1,000,000 and to congratulate him when it comes along.

Mr. BOURASSA: And then will the hon. member vote for the government?

Mr. BELL (Hamilton): No, because, unlike some hon. gentlemen, I preserve my principles whether I get anything or not. I congratulate, too, the government as a whole, although I did not agree with it in the least,

because it succeeded in killing the proposition for the national highways. I congratulate the government on its success in that regard because, if that plan had ever gone through, it would have gone a long way towards revealing to all people, not only residents of this country but those who visit it from time to time, the true extent of the depletion that is going on in our forests and mines to the effect that United States workmen may be enriched and receive the wages that should go to the Canadian people.

Last, but by no means least, I venture to congratulate the Prime Minister (Mr. Mackenzie King), although he is not present at the moment. When I came to this house in 1926, on my first excursion into politics, I did not appreciate him. I had not the faintest conception of what the words "masterly inactivity" could ever mean. I had not the faintest conception of how a more homely phrase "safety first" could be put beside the words "masterly inactivity." But I know now. I have seen during the time that I have spent in Ottawa masterly inactivity brought to a pitch of perfection that I should never have believed possible. I have seen the right hon. gentleman with that grip upon office for which he has become so famous employ to the very, very best possible extent his policy of masterly inactivity which has lulled the Canadian people to sleep, which has made Canada the Rip-van-Winkle of the Rockies. The Prime Minister only a few days ago in this house sat opposite my hon. friend from Fort William (Mr. Manion), and when my hon. friend from Fort William made one of the most patriotic suggestions that this house has had the pleasure of listening to for many a day, and when in connection therewith he used the expression "red-blooded" the Prime Minister was only able to see amusement in it. Will the country care? Perhaps. Not long ago the right hon. the Prime Minister declared that he had discovered the necessity for a provincial conference in respect to the waterways question. Does anybody seriously believe for one moment that the Prime Minister sought in that conference anything but an evasion and a postponement of a decision on that question, a question that is pressing in this country at this hour? Do the people really care? May be. There are signs that there is somewhere an awakening actually beginning. There are signs that on the waterways problem, as on the power question, and in many other directions, the people at last are beginning to waken up to the fact that "do nothing" may be a good means of retaining office but it is very bad policy for the country.

We have had various opinions expressed in the course of this debate about the attitude which it would be proper and prudent for Canada to adopt if higher tariffs are enacted against us in the United States by the government of Mr. Hoover. But surely there can be no one found to say that the ideal behaviour for Canada, or the attitude for Canada to take would be to do nothing at all. And that has been the policy of this government under the Prime Minister. Mr. Speaker, if that is to continue to be the policy of this government, if the indifference of the people is to be counted on, relied upon, and exploited, then it cannot be long before the public will assert itself and will insist that others shall take the seats of those who now occupy the place of office in this land. Until then we have little to hope for, because the policy of "do nothing" has been so successful, from this government's point of view. But if the authorities in charge of the tariff proposals on the other side shall injuriously affect this country by the enactment of higher tariffs against us, we know of one party anyway that will insist that the only stand to be taken by this country shall be to say to our neighbours to the south, "We are most friendly to you, we want to be your friends now and always; we are willing to be conciliatory to every reasonable degree, but if our interests continue to be adversely affected then we will stand up for every one of our rights, positive, firm and unafraid. And, sir, if we cannot get that from the present incumbent of the Prime Minister's chair then it will be the duty of this country to assist us to go out and take it, in order that the interests of the country may be served, in order that its former high estate may be restored, and in order that those hopes that we have entertained for Canada—the hopes of our fathers and the hopes that have come down to us—shall once again stand a reasonable prospect of realization.

Mr. J. A. VERVILLE (Lotbinière) (Translation): Mr. Speaker, a number of speakers who have preceded me in this debate have taken a delight in praising the Divine Providence for the numerous favours with which it has overwhelmed the people of Canada under the present administration, especially during the last fiscal year. Some have even asserted—and it is my opinion—that we have a providential government, highly assisted by Providence above.

The hon. Minister of Finance, in introducing his budget on March the first last, apprised us that the finances of the country were in a healthy state, and that the period of surpluses is continuing in a most encourag-

ing manner. This management of the public funds is of a nature, to my mind, to foster industry, trade, even agriculture, and to considerably increase in the minds of this people their confidence and trust in the future.

While heartily acknowledging the favours as stated in the budget speech, there are some for which, I think, we must thank both Providence and the government. I feel at liberty, sir, to make certain comments that in no way would I wish to be interpreted as reflecting on the present administration, but I deem it my duty to openly make them, trusting they may serve public interests and also those of the constituents that I have the honour of representing in this house.

The prosperity enjoyed by this country has been vaunted in every possible way. It is even stated that this prosperity is felt in every field of activity and throughout the Dominion. Like others I can see this prosperity, I acknowledge it and rejoice at it; nevertheless you will allow me to point out that the farmers, in certain parts of this country are not entirely wrong in complaining of the conditions prevalent at present, or rather are nearer the truth in complaining of their lot. By no means do I agree with the conclusions of the amendment, as set forth by the hon. acting leader of the opposition (Mr. Guthrie), when I express such views, because I think that this unfavourable situation of the farmers, in certain parts of the country, is due to certain causes or reasons, none of which can be imputed solely to the acts of the government. This unfavourable situation is brought about by numerous and various causes, some of which are traced to the farmers themselves—as it was so clearly pointed out on Thursday last by my hon. friend the member for Matane (Mr. Dionne)—others are traced to climatic or other conditions, and I am happy to acknowledge that the government is doing its utmost to help and encourage the farming class, yet I respectfully submit that it is in its power to do more. In certain sections of the country, our farmers have seen their work crowned with success. They received for their farm products top prices; however, I assert that, although this may be generally the case, there are nevertheless—and very unfortunately—exceptions and that in certain sections of the country such are not the conditions prevailing.

I trust that no one will begrudge me the few minutes that I shall take to glance over Quebec. I may say, sir, that the farmers of certain parts of my province situated on the south shore of the St. Lawrence, where the county of Lotbinière lies, have not been, this year, very fortunate as regards their crops and

are feeling the pinch of rather hard times. They are forced to seek elsewhere their seed grain and fertilzers of which they are absolutely in need; they are obliged to purchase those articles at top prices and must further pay excessive rates for freight. They are not so fortunate as the hon. Minister of Finance is in balancing his budget by surpluses; but like the governments which have preceded the present administration, they are in the sad plight of acknowledging at the end of each year, deficit after deficit.

Again, in no way do I wish to place the responsibility on the government's shoulders for this exceptional situation nor in any way blame them, but seeing that the budget brought down in the house, this year, informs us that the finances of the country are more than ample, I wish to take advantage of it by requesting the government to help, if possible, the farmers who might find themselves in the exceptional situation that I have just brought to your notice, and for which I request government assistance. I would therefore ask the government to grant the farmers which are in a precarious situation, what is granted elsewhere for other industries and in other sections of the country: a special rate, a reduction in freight rates for the shipment of goods of which these farmers are absolutely in need to maintain their land in good farming condition.

There is another feature to which I would like to draw the attention of the house: the budget makes no mention of changes in the income tax and I think on this score the government is worthy of praise. Unfortunately I cannot say as much with reference to the methods used in enforcing the Income tax act, especially in connection with our rural population, our farmers, the small land owners and the labourers of our countryside. These people with very few exceptions cannot pay this tax, simply because their revenue is only sufficient to keep their families in a decent manner. Nevertheless they are sent letters warning them that they have neglected to send in their statements, and must file same immediately if they do not wish to be dragged before the courts. These letters have attached to them a form which perhaps is quite the correct thing for accounting purposes but is a Chinese puzzle to those who receive them. These people are most of the time unable to fill in such forms; they are just as intelligent as city people or others, but this form is so complicated that they are unable to fill it in unless they can afford paying for a secretary or an accountant. This does not only apply to my riding but also to other sections. I do not

wish, sir, to leave you under the impression that no one, among our rural population, pays the Income tax; on the contrary; I am simply mentioning the fact that the forms as printed and sent to our people are too complicated. When parliament enacts a measure and puts it into force, why not use a simple method which our people can readily understand and willingly submit to? When such an act is surrounded with too much and difficult formalities, it is open to criticism by the ratepayers and they, by all possible means, try to avoid the law. Let us place at the disposal of our people a simple form which the ratepayers will be able to fill in, they will then respectfully submit to the measures we enact.

With reference to the sales tax, I must say that the means applied in the enforcement of the act are entirely disgraceful, and let me, Sir, cite an example: here is small rural manufacturer who is sued for having neglected to make a statement of his sales during two months, and simply for the reason that during that period he had not worked his factory. Previous to that time, he had always sent in his statements monthly. During those two months he was not producing nor making sales, he therefore made no report; the man is sued without being given any preliminary notice and forced to pay considerable costs. I respectfully submit, sir, that if a business firm, bank or any commercial institution adopted this method of suing its clients out of pure whim, without preliminary notice, I respectfully submit, sir, that these clients would be forced to close their doors, and this, under very short notice. Why should what exists in the business world not occur also in the intercourse between the government and the people? Why should the former not adopt the same methods?

These few comments are suggested to me by my sense of duty, not with a view to criticism but simply with the hope that the government, while endeavouring as in the past to improve the lot of our people, may give consideration to these few suggestions in order to alter somewhat the forms in use and thereby help our people as it is done in other business occupations.

I do not wish to close my remarks, sir, without performing a duty dear to me, that is to thank the hon. Minister of Railways (Mr. Dunning) for having been kind enough to extend some consideration to the province of Quebec in the distribution of railway lines. The county of Lotbinière which I represent should have had 75 years ago a railway crossing it, which is so very necessary for the population of that county as a whole, but especially for six or seven parishes on the south shore which are pressingly in need of such a railway.

Mr. RINFRET: Hear, hear!

Mr. VERVILLE (Translation): I hear the hon. Secretary of State (Mr. Rinfret) saying: "Hear, hear!" His uncle, Dr. Rinfret, of Sainte-Croix, promised this railway to his constituents for 20 years, when he was member for the riding of Lotbinière, relying, of course, on the promises made to him by the cabinet ministers of that day, promises like those which were made to me for some time past in connection with further extending the railway line.

I wish to thank the hon. Minister of Railways (Mr. Dunning) for the purchase he made, only I do not wish to be too enthusiastic in my thanks and praises fearing that, with the recollection of a promise 60 to 75 years old, I might be obliged to make another which might last a further 25 to 30 years.

A bill was introduced in the house on March the 1st last, and received its first and second reading. This measure enables the present government to purchase the Quebec, Montreal and Southern Railway. The hon. minister in introducing this bill, gave us the cost per mile for the construction which remains to be done. He informed us that there remained 20 miles to be built at an estimated cost of $40,000 per mile. Must we not infer from the figures he gave the house that he intends to do everything possible, as I surmise, to push this railway line through and locate the terminus at Quebec instead of Fortiervielle, in the county of Lotbinière. He further added that this railway would serve to relieve the congestion of the Levis division, the third in importance on the Canadian National Railways which also contributed to the extent of $150,000 per year to the assets of the state railways. I assert that our national railway system will realize quite a profit, providing that they complete this railway just acquired—for its purchase is now a foregone conclusion—I was present in the railway committee room this morning, and the committee unanimously decided to adopt this bill, and I feel confident the government will sanction it.

I am here to look after the interests of my constituents, and I wish to draw the attention of the house to the fact that at present we are a a disadvanage as regards to railways. When I was praising, a few moments ago, the hon. Minister of Railways (Mr. Dunning), because he remembered the province of Quebec in the distribution of railway lines this

year, I had also intended to place before the house certain statistics with which you are as familiar as I am; these statistics are very accurate, establishing the fact that we have not been unreasonable in our requests, moreover that we were absolutely within our rights in obtaining what was granted to us. The distribution of railways at present, in proportion to the population, is as follows: in the west the ratio is 1 mile to every 125 people; in Ontario 1 mile to every 250 people, and in Quebec, 1 mile to every 500 people. Our request was therefore not unreasonable, and if I have complimented the Minister of Railways (Mr. Dunning), he deserved it, but he will prove himself more worthy of praise if he could double the railway lines of the province of Quebec, so as to establish the same proportion between the western lines and those of the east.

I trust, sir, that the period of promises has come to an end, and that we are to live in the realm of realities so far as the railways we have been discussing are concerned. This line crosses the most beautiful part of my county, the oldest parishes on the south shore, pioneer parishes, not only of the county of Lotbinière, but along the whole of the south shore, for it is from these places that sprung the population which settled all the south shore parishes; they are the most beautiful and prosperous in that part of the county and it is my opinion that the government by extending the railway just purchased will not only be helping a large population which is absolutely in need of this public service, but will considerably increase our national inheritance.

Before resuming my seat, sir, I wish to state that I am satisfied with the budget brought down, first, because it gives us surpluses; secondly, because it leads us to hope that the lot of our rural population will greatly improve inasmuch as the public funds will permit. I shall therefore cast my vote in favour of the budget and against the amendment moved by the hon. acting leader of the opposition (Mr. Guthrie).

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, I presume that the debate on the budget having proceeded so far it is not now necessary to pay any further compliments to the Minister of Finance (Mr. Robb), particularly as he is not in his place at the moment.

I have no present intention of discussing the fiscal questions involved in income, expenditure, surplus or debt reduction matters referred to in the budget speech of the Finance minister, but prefer to review the proposals of the minister for the most part as they effect my constituents; or from the point of view of those of us here who represent the eastern counties of Nova Scotia, interested as we necessarily are in the coal and steel industries.

The minister stated that, as to the tariff board, the impartiality of the board had created a favourable impression among the Canadian people. May I say to the minister that the impression among the people of my native province is one of distrust as to the purpose for which it was created and contempt as to its accomplishments during the nearly three years of its apparently useless existence.

Another gem I quote from the budget speech:

> In accordance with the traditional policy of assisting the development of our basic industries, the rates of duty on certain machinery and equipment used in the mining industry have been reduced.

Here is another:

> There have been various references before the Advisory Board on Tariff and Taxation of interest to those engaged in the fishing industry and it is proposed to assist that industry further by placing certain articles on the free list.

Now let us see what the traditional policy of assistance to basic industry à la Hon. James Robb really means. In reply to these questions asked by me:

> Coal Mining Machinery—Imports
>
> Mr. Cantley:
>
> 1. What was the value of all coal mining machinery other than stone dusting equipment imported into Nova Scotia during the calendar year 1927?
>
> 2. What was the value of such machinery which was duty free?
>
> 3. What was the value on which duty was paid?
>
> 4. What was the total duty paid on such machinery?
>
> 5. What was the value of all stone dusting equipment imported into Nova Scotia during the same period?
>
> 6. What was the total duty paid on said stone dusting machinery?

The Minister of National Revenue (Mr. Euler) on Thursday last—I quote from page 737 of Hansard—answered:

> Mr. Euler:
>
> 1, 2, 3, 4, 5, and 6. Imports of "Percussion coal cutters, coal augers and rotary coal drills and complete parts," entered for consumption in the province of Nova Scotia in the calender year 1927, amounted in value to $1,170, and the import duty collected was $234.
>
> This is the only coal mining machinery and equipment which is separately classified for statistics, and the department has no record of the separate value of other machinery of this class imported or of the duties collected on such imports.

Therefore, it should seem that the traditional policy of my hon. friend the Minister of Finance, so eloquently referred to will, perchance, assist the basic industry of coal mining by $234 yearly. Now I challenge the Minister of Finance to show from the records of the Department of National Revenue that the proposal I have read gives any greater relief to the coal mining industry than the figures I have just quoted as supplied by the minister of that department.

But, Mr. Speaker, the fishing industry was also to partake of the benefits of the traditional policy of assisting basic industries. The following articles are in part placed on the free list:

632c. Specially designed needles of a class or kind not made in Canada, for use only in repairing fish nets, when such nets are used exclusively for the fisheries, but not for use in repairing nets for sportsmen—Free, Free. Free.

682b. Metal swivels, of a class or kind not made in Canada, when used exclusively for the fisheries, not to include swivels for sportsmen's use—Free, Free, Free.

689b. Equipment, of a class or kind not made in Canada, and integral parts thereof, for distributing stone dust in mines—Free, 5 p.c., 10 p..c.

Stone dusting machinery, now used extensively in all our gassy coal mines to prevent coal dust explosions, which are extremely violent and disastrous in their effect, is still dutiable at 10 per cent in the general list.

Even among the friends of the government in their stronghold of the province of Quebec, no enthusiasm is shown for this budget. Let me instance that Liberal journal, the Montreal Daily Herald, where on page four, of its issue of March 4, the Monday following the budget speech of the Finance minister, I read:

A Colourless Budget

No one looking through the budget presented by the Hon. James A. Robb will doubt that Premier King was perfectly sincere when he told parliament a few days ago that the government does not contemplate holding a general election this year. It is true that when Mr. King made that statement he added that the government would of course reserve the right to call an election should unforeseen events make such a course advisable, but the possibility of such events occurring must be very remote in the view of the government, or they would never have brought down what is the most colourless and most disappointing budget which the present administration has yet submitted to the house.

Now, Mr. Speaker, I turn to the Nova Scotia press and quote from the Halifax Herald:

Mr. Robb yesterday opened the most colourless —and least satisfying—budget of his career as Minister of Finance. His speech told of gratifying Canadian progress and bounding federal revenues, but the public at large will find in the tariff and taxation proposals of the present session little to promote more than passing attention.

So far as Nova Scotia is concerned, it is what the budget does not contain that will provoke comment and dissatisfaction. Proposals to aid the coal-steel industry, long delayed, have not materialized, at least, not in this budget.

Tariff changes are anything but "sensational".

There is nothing to offset the effect of the drawback item which remits the duty on bituminous coal imported for use in Canadian coking plants—an item which almost completely nullifies the provisions of The Domestic Fuel Act based upon a major recommendation of the Duncan commission. There is no inducement to use domestic coal in Canada coking plants with that drawback item in the tariff schedules. Either the item should have been removed or other provision made to counteract its serious and detrimental effect upon our own coal industry.

Similarly, there is nothing to offset the drawback of duty on bituminous coal imported for metallurgical purposes. Here again a direct recommendation of the Duncan commission is ignored.

The reduction of duty on certain types of mining machinery and equipment, welcome as they will be in proportion to their extent and value, form no adequate substitute for the direct recommendations of the Duncan commission which are entirely ignored. These reductions will help the coal industry a little, perhaps, and the steel industry not at all.

It may be that something will be done for the coal-steel industry before the house prorogues. It is earnestly to be hoped so. But the absence from the budget announcements of any mention of real aid is disappointing to the Nova Scotia people.

Mr. Speaker, the fact is that the latest Robb budget has really no tariff changes worth mentioning; knitting needles, brass swivels for fishing lines, eye dusting machinery, cocoanuts —goods never made or produced in Canada, of little importance in two of the major industries of Nova Scotia—fishing and mining; a gesture, only a gesture, small, cheap and of value comparative with its cost to the giver.

Next year the minister will, peradventure, make a gesture of assistance to our two basic industries—a matter which overshadows all other questions in eastern Nova Scotia. We have now waited two years, and another soon closes, without any suggestion of that relief recommended by the commission appointed by this government and which the Prime Minister (Mr. Mackenzie King) two years ago promised would be implemented practically in its entirety; which definite promise has not been honoured by the Prime Minister or by his Minister of Finance.

We apprehend that, next session, in anticipation of an appeal to the country, some election bait will be thrown to us by way of long delayed coal and steel tariff readjustment. It will then be a case of "needs must when the Diel drives" and fully understood as such.

That other ambassador of empire—the honourable the Minister of Mines (Mr. Stewart), built on generous and substantial dead weight lines, while on pleasure bent last summer was reported by the British press as having been right royally entertained in the great metropolis, when, after dining—let us assume wisely and well—he took occasion to advise the British coal masters to look alive and arrange to ship more of their coal to Montreal, where a great market awaited them, or words to that effect. Such, Mr. Speaker, are some of the efforts of a minister of this government whose duty is to aid, foster, protect and extend the Canadian mining industry. Mention peat, and the minister is alert—ready to spend forty, fifty, sixty thousand dollars in any year at that sink hole, the Alfred peat bog, into which we have already thrown $335,408.92, with no practical result worth mentioning or in prospect.

Canadians had recently the experience of seeing in action our lately created ambassador to Washington. What, Mr. Speaker, was his first diplomatic problem?—what the first great Canadian or international question to be discussed with our adequately protected friends of the United States? Simply this, Mr. Speaker, an abject appeal for charity; an appeal to the United States to allow some thousands of our Canadian citizens to enter that country and obtain from their manufacturers the employment denied them in their own country. Surely every Canadian worthy of the name was ashamed and felt humiliated by the thought that our country's accredited representative should approach our rich and powerful neighbour with so contemptible a request, and hang around the door of the Washington minister for a week or more reiterating his request that our people should be given an opportunity to work in American factories to produce, in many cases, goods which were afterwards exported to this country. Surely, Mr. Speaker, a national policy is needed, and a government that will provide it.

Now, we have the product of Soviet Russia pouring into the cities of Quebec and Ontario —coal mined under Soviet conditions of virtual serfdom in the Donetz basin, and sent here to buy food for their rationed miners who must work for a dog biscuit bread ticket. This coal, on which the railway freight from the mines to the sea is absorbed by the so-called government of Russia, freighted six thousand odd miles through the sea of Azof, the Black sea, the Dardanelles, the whole length of the Mediterranean across the Atlantic to Portland, and thence nearly 250 miles to Montreal, is then admitted duty free into Canada in competition with the labour of our Nova Scotians and Alberta miners. I would point out that the first cargo of this coal that came across the Atlantic was destined for and went to the port of New York. It was not allowed to be landed because the government imposed a duty of $3.42 per ton on it. The ship was turned around and sent up the St. Lawrence to Montreal, and there the cargo was discharged, and no duty paid.

A few days ago I asked the Minister of Mines a question regarding the quantity of Russian coal that had come in. He gave me some figures which I do not think are reliable, because my information is that the tonnage particularly the quantity which entered the port of Montreal is more indeed nearly 50 per cent greater than the figures he gave me. Be that as it may, the fact is that a large quantity of that coal has come into the country. The other day I saw a letter to a coal dealer from one of the prominent coal importers in Montreal, in which he pointed out that he was handling this coal and that he could assure the dealer that he would be in a position to supply it regularly throughout the entire coming season. Is this government to sit still; are all the resources of this government of no avail to deal with this matter? Canada is said to possess one-tenth of the total coal resources of the world, yet with many of our coal miners idle to-day our beneficent government allows coal to come into Canada from a Soviet-controlled country, transported over a distance of about 6,000 miles to enter into competition with Canadian coal, in direct disregard of all business economic principles. I appealed to the Minister of Mines, the Minister of Trade and Commerce and the Minister of Customs, and was told that the government is powerless. Each appeared quite unconcerned; they could not or they would not act.

Mr. BENNETT: Did you try the Minister of Agriculture?

Mr. CANTLEY: No, I did not. I exempt the Minister of Finance from criticism; for he did exhibit some interest, some concern, and I think he will make some inquiry into the facts. As for the others, they are hopeless.

Now, Mr. Speaker, I point out that no tariff consideration is given the Canadian coal and steel industry. The excuse of the Minister of Finance for ignoring applications from other Canadian producers for adequate protection is the thread-bare assertion that they are still being considered by the tariff

advisory board. So far as the coal and steel industry is concerned, he is so contemptuous of it and of those interested in it that he does not even trouble to make this paltry excuse. One remark he does make, doubtless intended for the hon. member for Rosetown (Mr. Evans) or those few who hold similar opinions; he says that the policy of this administration is not a high tariff policy but a low tariff policy; its policy is to encourage production at home and the marketing of our excessive production abroad. We see how a low tariff policy, with respect to iron and steel, not only encourages but has actually ensured the marketing in Canada last year of about $300,000,000 worth of American iron and steel, at least 75 per cent of which could and should be made in this country with enormous economic advantage to the steel and coal industry, the transport workers and other associated spheres of activity. During recent years the government, when giving consideration to the tariff, have paid no attention whatever to the interests of the Canadian coal miners or steel workers. The tariff tinkering of the past few years has clearly demonstrated that the tariff advisory board is an effective obstacle to any upward readjustment of the tariff, while the minister holds himself quite free to decree, and does decree, a downward revision of the tariff on his own initiative or perhaps at the solicitation of party friends. We had an instance of this last year in the boast of the Minister of Trade and Commerce when he boasted that he had induced the minister to reduce the duty on coal for the sake of some of his friends, who, he admitted, had not asked for the favour.

In addition to that, Mr. Speaker, there is no sign from this government of any intention to comply with the recommendations of the Duncan report with respect to the coal and steel industry. The budget recently presented by the Minister of Finance does not even make a pretence to protect this industry and, so far as tariff relief is concerned, those interested either by way of occupation or investment may take what comfort they can from the knowledge that the present ministry have definitely turned a deaf ear to all their representations and requests for safeguarding protection or relief. The subvention of 50 cents per ton on native coal used in the Nova Scotia steel industry is ignored by the government and is still denied us, in spite of the findings made nearly three years ago by a royal commisison created by this government and notwithstanding the fact that three sessions of this parliament have been held since the commission completed its work on maritime claims. Not only have these remedial recommendations made by the royal commission been entirely ignored, but other recommendations are also treated as scraps of paper.

Just here I would like to refer for a moment to the coke oven bonus introduced by the Minister of Mines in April, 1927. I pointed out then to the minister that his proposal would be of absolutely no value to the Nova Scotia industry, and now I want to point out to the Minister of Finance and to the house that although that policy has been in force for two years not one dollar has been expended or claimed by way of bonus on Canadian coal used in the coke ovens of this country. The only report made so far is one as to about 15,000 tons used in Halifax in a small plant which was built to replace an antiquated city gas installation built some fifty years ago. Some of the friends of the government had under consideration, at the time this bill was passed, the location of coke ovens for the production of coke and gas in Montreal. They knew the provisions of the proposed act before the act was voted on, and before the plant location was decided on, and I want to point out to the house that they deliberately built their ovens alongside the Lachine canal. Why did they do that? They decided upon that location because they had no intention of using a ton of Nova Scotia or other Canadian coal in that enterprise. If they had so intended they would have located their plant down at the lower end of Montreal harbour, where Nova Scotia coal could have been unloaded direct into their storage bins from the colliers. They decided upon their present location in order that American coal could be transferred direct from the holds of the steamers to the bins of the plant, and that is being done, therefore if they now for any reason should wish to take advantage of the bonus as to Canadian coal they would have to tranship the coal into lighters or by rail at a cost of from 50 cents to one dollar per ton, in order to get it to their plant, this due to its location. They knew what the proposals of the government would be and they simply ignored them. I do not know whether or not the government really knew how little value these proposals had; my impression is they did not care; they constituted a gesture. At all events the Minister of Mines gave us a gold brick, to use ordinary parlance.

I am sorry the Prime Minister is not in his seat; I should now like to put a few plain questions to him. I ask the Prime Minister if he is determined to continue to dishonour the findings of his own royal commission,

the recommendations of which he said on August 30, 1926, speaking at Windsor, Nova Scotia, would have great weight in parliament. What did he mean when, from his place in this house on March 18, 1927, he stated:

> The government hopes that by accepting as we have the recommendations of the royal commission on maritime claims virtually in their entirety, parliament and the country will recognize in the attitude of the government a wish to remove this great question as largely as possible from the arena of sectional discord and party strife.

Does the government's inaction and failure to implement an important portion of the Prime Minister's promise mean that his cabinet is divided on the question and that he is delaying and denying justice to Nova Scotia rather than grapple man-fashion with the reactionaries within the cabinet? Whatever the causes may be, the failure of the government to carry out the promise of the Prime Minister is producing an effect on the steel and coal situation in my native province and developing a state of feeling among those dependent on these two basic industries which bodes no good to the government and has checked and arrested plans of reorganization, extension and betterment of the industry, and we in this house, representing the counties primarily interested in and, to a very great extent, absolutely dependent upon the prosperity of these industries, demand a declaration of the policy of the government in regard to the carrying out of the recommendations of the Duncan commission in the matter of these two outstanding major industries of Nova Scotia.

Mr. Speaker, I take it that each member of this house is the representative of the electors of his constituency and, as such, should by right support in the debates of the house those principles and ideas clearly expressed by the majority of those who sent them here. In my case, I have no shadow of doubt as to the views and wishes of my constituents on the matter of the implementing of those recommendations of the Duncan commission not yet acted on by the government. May I remind the house that less than a year ago, or to be exact on May 22nd last the Finance minister, in a moment of irritation characterized the expressions of dissatisfaction of the hon. member for Cape Breton South (Mr. MacDonald) and myself, as "whining." Again, during the debate of some few days ago, namely, on February 26 last, the Minister of National Defence (Mr. Ralston), twice in one speech referred to what he called "continual harping" on the questions raised by the Duncan report and later in the same speech referred to what he called the "doleful wails" which come from time to time from those on this side of the house representing the province of Nova Scotia. These wholly uncalled for and most offensive gibes we hurl back at the authors of them, in entire justification of our attitude and discontent as to the measure in which the Duncan commission's recommendations have been implemented. I want to tell my worthy friends that so long as the rights of the province of Nova Scotia as I see them remain unredressed and so long as I can obtain sufficient oatmeal to supply my internal combustion engine, I will offer protests in this house on every fitting opportunity.

I now draw the attention of the house and the Prime Minister to some features of the Nova Scotia case and point out that a certified copy of a report of the committee of the Privy Council on April 17, 1926, to be found on page 6 of the report of the royal commission on maritime claims, reads as follows:

> The Prime Minister is also advised that on the 12th day of March, 1926, the Premier of the province of Nova Scotia presented to the legislative assembly a resolution to the effect that his government is engaged in preparing a memorandum setting forth in detail the claims of that province with the object in view of seeking such adequate redress as will insure a return of contentment and prosperity to the people of that province.

The report continues:

> The Prime Minister observes that it is most undesirable that any section of the people of the maritime provinces should entertain the opinion that their interests are being knowingly prejudiced, and that the public interest requires that every occasion for the existence of a feeling of grievance should, if possible, be removed.

Now, Mr. Speaker, in view of the foregoing declaration of the Prime Minister that the public interests require that every occasion for the existence of a feeling of grievance should, if possible, be removed, it surely was incumbent upon the Prime Minister to make every possible effort to that end notwithstanding which the undeniable fact is that no action has been taken by his government on two of the most important recommendations of the Duncan commission—recommendations accepted by him. I refer to their evasion of and deliberate refusal to implement the recommendation of the commission as to the two basic products of the maritime provinces which, he admitted, lie at the very foundation of the economic prosperity of those provinces. The Prime Minister, speaking in this chamber on the subject of the Duncan commission report on maritime claims on March 18th, 1927, said:

With reference to the natural basic products of the maritime provinces, namely, agriculture, fish, timber and coal, the government shares the view expressed by the commission that aspects that arise from the character of these natural basic products of the maritime provinces "lie at the very foundation of the economic prosperity of these provinces," and that, as respects these subject matters, "no greater dis-service could be done than to evade deliberate decision."

With regard to the question of coking plants, the commission's recommendation that immediate practical steps be taken, has been accepted and a bill will be introduced at the present session of parliament respecting the establishment of coking plants at convenient centres in Canada under government assistance, along lines approved by the special committee of the House of Commons, which dealt with the fuel question last year.

I submit that nothing more farcical has ever been put upon the statute books of Canada than the legislation arising out of that promise of the Prime Minister. Hundreds of coke ovens have been built and not one dollar has been paid by way of bounty, nor will it be. The Prime Minister continues:

The recommendation of the commission that the tariff advisory board should be asked to give immediate consideration to the customs tariff in its relation to coal, anthracite and coke, has been met. The matter is now before the tariff advisory board.

How long will it be there?

An hon. MEMBER: Twenty-five years.

Mr. CANTLEY: If the board lasts so long, but I submit such will not be the case, due to an impending change of government. The Prime Minister continued:

The question of protection on the primary products of iron and steel was, as stated in the report, under the consideration of the tariff advisory board at the time of the commission's investigation. Owing to the existing uncertainty of conditions surrounding the iron and steel industry in the maritimes, the government does not feel in a position to make at present any pronouncement with respect to the commission's recommendation of a renewal of the system of granting bounties with respect to steel when Canadian coal is used in its manufacture.

I submit that if the industry was in such bad shape surely that was the time when the government should have exhibited some interest and come to its assistance. In conclusion he says:

In concluding this statement, may I say that the government hopes that, by accepting as we have, the recommendations of the royal commission on maritime claims, virtually in their entirety, parliament and the country will recognize in the attitude of the government a wish to remove this great question as largely as possible from the arena of sectional discord and party strife, and a desire to give to our Dominion in the sixtieth anniversary of its founding, a renewed expression of the spirit which animated the fathers of confederation in their efforts to construct out of British North America a federal union under a system of government devised "to protect the diversified interests of the several provinces and secure efficiency, harmony and permanency in the working of the union."

God save the king!

Mr. Speaker, two full years have passed since the Prime Minister made these important declarations as to the policy of the government as regards matters which, he then rightly stated, lie at the very foundation of the economic prosperity of the maritime provinces. Two years have passed—two years of, for the most part, trial and stress for coal and steel—the two basic industries of Nova Scotia—as to which the Prime Minister stated no greater dis-service could be rendered than to evade deliberate decision thereon.

Now, Mr. Speaker, I charge the Prime Minister, his Minister of Finance, and the government with evasion of—to use his own words—"deliberate decision" on the vital matter of protection of these two natural, basic products of my native province.

Mr. DEPUTY SPEAKER: Might I remind the hon. member that his time has expired.

Mr. HERMAS DESLAURIERS (St. Mary) (Translation): Mr. Speaker, my first duty is to congratulate the government for the admirable skill shown in the administration of the affairs of this country. Our friends in the opposition seem to have agreed among themselves to deny all credit to the government for the good this administration has accomplished, attributing everything to Providence. We readily admit as they do, that nothing on earth happens without Providence's kind intervention; however, the government's followers and the people of Canada as a whole must rejoice in the fact that the administration of the Right Hon. Mackenzie King has been found worthy of the kindness and generosity of Divine Providence, as this never happens when our opponents are in power. Hence, we are led to believe that the people of Canada will for a long time trust this administration which is so favoured by heaven, and that they will for as long a time withhold from the fateful hand the management of our affairs.

In my brief remarks, sir, I wish to particularly draw the attention of the government to the rights and the future of a class of people that are entitled to all their consideration; I mean the labouring people including every class. Within the last few years, we read in both the Canadian and European press, article after article expressing

the views of certain people on the so called necessary immigration to Canada; we have had the visit of distinguished Lords who came to submit immigration schemes, and on August 30, 1928, in these parliament buildings, the British Parliamentary Association held a meeting where the delegates of all the sister nations were present in numbers. The United Kingdom, Australia, New Zealand, South Africa, the Irish Free State, Newfoundland, India, the Island of Malta, Southern Rhodesia and Canada took part in the proceedings. The agenda was as follows:

Trade and economic development particularly from the viewpoint of markets within the empire, and the immigration problem.

As a result of this conference, we may conclude that the majority of these states regretted that they were unable to admit any more immigrants owing to the large number of unemployed in their respective countries. All agreed with the fact that Canada had an immense space to fill up and that Great Britain had a choice in material to send over.

Expressing my own personal views, I put to myself the following question: have we in Canada, at present, and for years to come, a real problem of immigration to solve or inaugurate with whomsoever it may be? According to certain newspapers' reports, 1,500,000 British people without work and unsuited to farming would immediately be dumped into this country, this would simply increase the number of those at present out of work, create a problem of unemployment, cause misery and reduce the wages of our excellent workers or replace them as the thing too often happens. Indeed, we sympathize with those unfortunate unemployed of the motherland, but not to the extent of shouldering their burden. We may thank Lord Lovat for the great interest he takes in the development of Canada, but we would prefer that he exerted his energy in solving the problem of his country, and this on his own soil. We consider it too dangerous to allow waves of immigration like those of 1815 when Great Britain which had thousands and thousands of unemployed soldiers threatening to stir trouble, sent us thousands of them to found a military colony in the neighbourhood of Perth, soldiers with no other training than that of camp life or of factory work in Glasgow's spinning mills. Again, in 1823, to relieve Ireland of its unrest, poverty and misery, the Ramsay district, near Perth was invaded by hundreds of these poor Irishmen; and again in 1825, the district of Peterborough, on the river Trent, admitted thousands of unemployed that the mother country sent. Furthermore, weighing the

words, I think, of Mr. Chamberlain, addressed to the British Labour party with reference to the approaching general elections, in England, I state that at present Canada does not desire immigrants, with a revolutionary and subversive turn of mind to disturb the peace of this country. Shall we be so unfortunate as to have an immigration problem because our country, of all those that took part in the last war, is recovering more rapidly and marvellously from the disastrous effects of that war? Or will it be because, besides meeting our current expenditure, we are yearly redeeming our debt by 50 to 60 million dollars? Does danger threaten because we are the foremost nation of the world in the production of nickle, asbestos, paper, waterpowers and agricultural cooperation? . Or because Canada stands foremost as a producer of gold, silver, copper and all metals even coal, or again because statistics place us in the forerank in regard to construction, automobile industry and tourist trade?

Is it a calamity for our people to be assessed by banks at $225 per capita and that our dollar by its purchasing power is worth more than the par value of all countries in the world? Were we wrong in ranking ourselves the second nation in exports, per capita; are we in danger because out of a total of 15,000,000 h.-p. we develop at present 5,000,000 h.-p., and because prosperity is at its peak in all fields of activity: insurance, banking and industry especially the wheat industry which has given Canada the surname of granary of the Empire?

What in the world is there to induce us to create here a problem of subsidized immigration? I cannot see why we should solve the problems of others at our expense and at the risk of the worst consequences. The problem we have to deal with in Canada is one of moderate and careful settlement, that of stemming the emigration of our people in order to keep up farming activities in those parts already cleared, and then opening new districts giving preference to the native sons of Canada, or later to an immigration of farmers coming from a country where the climate is similar to ours and where the people are accustomed to economic and strenuous farming life.

I shall not refer to the vastness of our country or of our national resources whose development is in its infancy, I shall even acknowledge that agriculture, trade and industry can absorb a certain number of chosen immigrants. However, if the reports of the Labour Gazette on unemployment are consulted, the government will not allow any-

one to immigrate here unless they are assured that these immigrants will not be a charge to the state or that they will not deprive our people of their right to existence by replacing them or reducing the salaries of our workers. In the course of last summer, while on a trip to the west, I was somewhat astonished to read in local newspapers that a congress was being held in Winnipeg with the object of fixing the number of harvesters that the various western provinces could absorb during the crop season, in view of the scheme planned to import miners from Europe.

With the knowledge that modern machinery, to-day, forcibly creates unemployment, it seems to me that we should be able to pick up here all the hand labour which we need, on condition that the workers be reasonably remunerated, humanely treated and that the rates of transportation do not deprive them of most of their savings; unfortunately these conditions seem to be entirely lacking. If we are allowed to draw a conclusion from the importation of 8,500 miners who came to us during the harvest season to work on the land, it cannot be very flattering to us since a very small number settled here and the remainder returned home more or less satisfied, finding no attraction here—another proof that we cannot make a farmer out of everybody.

An important fact not to be lost sight of, is that last year 5,000,000 bushels of wheat remained in the elevators, having found no favourable market, and owing to this fact, the price of wheat was considerably depressed. When I find that wheat growers' associations want to prevent the presidents of railways, Mr. Beatty and Sir Henry Thornton, from publishing bulletins on crop outlooks, pleading that truth hurts their interests, I think I have a right to conclude that although our western plains are able to absorb many more farmers, we should regulate their development, bearing in mind the markets actually at our disposal and capable of absorbing our production. And what is true for agriculture is also true for all industries.

Immigration must not be a question of sympathy but one of business. What is the use of transferring hardships from one locality to another or else increase it? Each country should have sufficient patriotism and self sacrifice to solve their own problem of unemployment and not seek to add exile to their unhappiness. If we wish to attract farm settlers to this country we must revert to the liberal policy in force between 1896 and 1910, under the direction of the Hon. Clifford Sifton, when the west made extraordinary strides. It is an error to set aside the continental immigration or to neglect, in a continental country like ours, people that are trained to farm life, thrifty, hardy and steady, living in a climate similar to that of Canada.

Is it not a fact that years ago no Canadian settler wanted that swampy land to the east of Winnipeg and back of the Rivière Rouge, yet, to-day, it is the most fertile land of Manitoba, it was drained by a settlement of Galicians hailing from the Carpathian mountains, without any government assistance, they but asked the privilege of working in peace? To-day they are good British Canadian citizens, happy, contented and respected.

Was it not so for the western part of lake Winnipegosis where continental people, without any aid, made a success of that district? Such was also the case with a settlement of Hungarians who, with no assistance, took up land back of lake Manitoba, to the east of Neepawa. and made a success of life. Furthermore, we find continental immigrants settling the arid lands along the Rosthern railway, from Regina to Prince Rupert, digging wells, irrigating the land and making of this district one of the most productive in the west.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READING

Bill No. 74, respecting The Premier Guarantee and Accident Insurance Company of Canada.—Mr. Lawson.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 27, to incorporate Barclays Bank (Canada).—Mr. Jacobs.

Bill No. 30, respecting the Protective Association of Canada.—Mr. Boivin.

BANK PENSION FUNDS

The house in committee on Bill No. 28, respecting the Pension Fund Society of the Bank of Montreal, the Molsons Bank Pension Fund, and the Merchants' Bank of Canada Pension Fund—Mr. Guérin—Mr. Johnston in the chair.

Sections 1, 2 and 3 agreed to.

On section 4—Merchants' Bank pension fund repealed.

Mr. BENNETT: What is the provision with respect to the time the act shall come into force?

Mr. GUERIN: It is to come into force immediately on its sanction. As the hon. member is no doubt aware—

Mr. BENNETT: I know what it is; that is not the point. I want to know if there is any date fixed for it.

Section agreed to.

Section 5 agreed to.

Bill reported, read the third time and passed.

CANADIAN PACIFIC RAILWAY COMPANY

The house in committee on Bill No. 41, respecting the Canadian Pacific Railway Company—Mr. Kellner—Mr. Johnston in the chair.

On section 1—lines of railway authorized.

Subsections 2 (a) to (h) inclusive agreed to.

On subsection (i)—Hazeldine-Cold Lake.

Mr. HEAPS: Mr. Chairman, it is very difficult indeed to know exactly where you are in connection with this bill. I heard you refer to subsection (a) but I did not hear you refer to any other part of the section. I would like to know exactly what has been done so far.

The CHAIRMAN: I called the subsections down to subsection (i), Hazeldine-Cold Lake.

Mr. HEAPS: Have you passed all the other subsections?

The CHAIRMAN: There were no objections.

Mr. HEAPS: There was one subsection of which the committee did not approve.

Mr. BENNETT: That has been stricken out.

The CHAIRMAN: Subsection (e), Sutherland-Melfort, has been stricken out. I did not call that.

Mr. GARLAND (Bow River): All the others stand?

The CHAIRMAN: Yes.

Subsections (i) to (m) agreed to.

Section 1 agreed to.

Sections 2 to 6 inclusive agreed to.

On section 7.

The CHAIRMAN: Section 7 seems to be a new section, different from the printed bill. Probably I had better read it:

The directors of the company may from time to time enter into any agreements or arrangements with the Canadian National Railway Company or any other company owning, controlling or operating any railway comprised in its system for selling, conveying or leasing by one to the other of the whole or an undivided joint right, title and interest in and to the whole or any portion of any line or lines of railway or other property, for the granting by one to the other for a fixed period or in perpetuity of such rights and privileges as the directors may see fit, whether by way of joint operation of any line or lines of railway, or the running of the trains of one company over the tracks of the other, or otherwise howsoever in respect of the lines, tracks, terminal facilities and appurtenances of either company; such agreements or arrangements to be subject to the like consent of the shareholders, the sanction of the governor in council upon the recommendation of the Board of Railway Commissioners for Canada, application, notices and filing provided for in sections 151 and 154 of the Railway Act, whichever may be applicable.

Section 7 agreed to.

Bill reported, read the third time and passed.

WAWANESA MUTUAL INSURANCE COMPANY

The house in committee on Bill No. 31, to incorporate the Wawanesa Mutual Insurance Company—Mr. Thorson.—Mr. Johnston in the chair.

Sections 1 to 4 inclusive agreed to.

On section 5—Applications before commencing business.

Mr. BENNETT: This has been approved by the Superintendent of Insurance, I understand.

The CHAIRMAN: By the committee.

Section 5 agreed to.

Sections 6 to 16 inclusive agreed to.

On section 17—Acquisition of rights and property of provincial company, etc.

Mr. THORSON: Section 17 was amended.

The CHAIRMAN: By adding after the word "acquire" in the first line the words "by agreement to insure or otherwise."

Section agreed to.

Sections 18 and 19 agreed to.

Bill reported, read the third time and passed.

THE BUDGET

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

Mr. SPEAKER: Private bills having been disposed of, the house will revert to consideration of the motion of the Minister of Finance,

that Mr. Speaker do now leave the chair for the house to resolve itself into committee of ways and means, and the proposed amendment thereto of Mr. Guthrie.

Mr. GEARY: Will not Your Honour go into public bills and orders?

Mr. SPEAKER: I am afraid not. In the case of a special order which takes precedence over public business, Bourinot says:

> The hour for private bills is not interfered with when precedence is given to a particular order, but sometimes they are not called in order to meet the general convenience of the house, and its desire to conclude a debate. In such cases, this is a matter of arrangement with the members in charge of private bills.

It appears therefore that while an exception is made in respect to private bills, the special order takes precedence over public bills and orders. In this instance, the special order for consideration of the motion of the Minister of Finance does not exclude private bills.

Mr. DESLAURIERS (Translation): Mr. Speaker, when the house rose at six o'clock, I had begun to enumerate a number of localities in the western provinces where the labour of the continental immigrants had accomplished marvels and to whom, perhaps, we owe to a great extent the prosperity of the west. Are not the prosperous districts located to the west of Swift Current the fruit of the labours of the Mennonites? Yet, in days gone by this territory was known as the "American desert."

To whom belongs the credit of having transformed in prosperous districts the land situated to the west of Dauphin, after this land had been refused by everybody? To the Galicians again, and this without any assistance.

Sir Clifford Sifton placed no faith in the immigrant who required assistance. All those brought over here by him are to-day among the most prosperous, the most contented and they make excellent citizens; these people immigrated to this country because they were tired of the continuous European wars, the vexing taxation and the ruinous legislation they had to put up with; they came to Canada to enjoy freedom and peace and they were not disappointed. They show themselves equally worthy in industrial life; their honesty rapidly promotes them to the management of affairs; their honesty, I say, is proverbial, they have no debts, their obligations are duly met; even the rare instances of government loans for digging wells and for irrigation have been faithfully met to the very last cent, a thing quite exceptional, it seems, when the government is the creditor.

We have no immigration problem in Canada, our financial situation does not require it and the markets at our disposal are ample for the rapid development of our country. It would be folly to risk creating here the problem of unemployment such as it exists in Europe, simply for the satisfaction of relieving others of their troubles. The cooperation of the various members of the Empire seeking to spread prosperity, is certainly an excellent thing, but not to the extent of burdening ourselves with the economic difficulties of others, created by the designs of their financiers; the solution of our own difficulties should suffice.

Notwithstanding all these considerations, I admit that we could allow certain classes of immigrants to come and settle on our vacant lands; however, on the other hand I strongly side with the views of Sir Clifford Sifton who had very little faith in the assisted immigrant, preferring greatly the individual coming from the farm and going to the farm without assistance, fortified by his pluck and determination to work and seconded by both his knowledge and practice of rural thrift, essential conditions to success, as the Abbé Bilodeau points out in his treatise on the emigration of our own people.

I have no faith in the system in which the British immigrant receives $45 for himself, $18.25 for his wife and his children under 17 years old, and $15 for every girl or woman coming to this country as a domestic. Endeavouring to place on the land people who have not thrifty habits, is fruitless; the whole federal treasury would be necessary to cater to their wants and then it would all end in failure. It is a serious problem to bring over to this country immigrants whose sole aim is to obtain credit here and there and on the slightest pretext, to be in everybody's debt and repay nobody; to insist on rural and bank loans, state insurance, tax exemption and railway stations at their door. I state that such immigration should not be encouraged, because those people will never be happy and always be very indifferent Canadians. It is not good policy to bring over in large numbers the unemployed of other countries, British or not, at the risk of seeing the salaries of our workers decrease to the extent of their not being able to meet the demands of the cost of living; no more than it is good policy to seek overproduction without having, first, the markets to dispose of such products.

The only problem that should need our attention is that of the emigration of our people and the settlement of our land by the native sons of Canada. In order to solve this

difficult ploblem, the agricultural education of our people should be the main plank of our program; we should train our citizens to cooperate among themselves so as to develop their farms; the superiority of farm life compared with that of industry should be taught in schools, rural taxation reduced to its simplest form, every farmer's son not needed on the farm should at all times benefit by special transportation rates, in order that travelling expenses do not absorb the greatest part of his savings; a propaganda should be organized against this tendency for luxuries and easy life which is the first and perhaps the only reason for the emigration of our people; we must convince our people that this leads to poverty and the source of all evils. In a word, we must make the farmer happy and confident.

While on the subject, I think I should draw the attention of the government, and particularly the Minister of Agriculture (Mr. Motherwell) to the methods used in establishing restricted areas throughout the provinces. All that has been done up to date is of a nature to discourage, ruin the farmer and force him to desert his farm. According to veterinary experts such as Mr. Hilton, the tuberculin test on cattle is not conclusive. That is why we should not follow the same course as in the past spreading error and destruction in the farmer's home, in a too positive and sometimes too arbitrary way. It is a crying injustice towards the farmer to have him winter his cattle, then come to him in June and condemn them with more or less a reason, or to keep them in quarantine part of the summer, having previously slaughtered a number of them, thus depriving the farmer of revenue during summer, when he is already poor, or to further oblige him to purchase more cattle coming out of winter quarters when prices are up, furthermore adding to all this considerable expenses for disinfection; and, all this trouble for a minimum assistance on the part of the government. The result of this innovation seems to me disastrous and we should proceed otherwise to avoid discouraging the farmer and inducing him to desert the farm.

Since 1881, and especially since 1910, the Canadian Pacific railway has spent $70,000,000 in settling people and has taken care that these settlers were provided with a certain number of acres of land under culture, building them a house and barn and providing them with a good water supply in view of sparing them the hardships to which the pioneer is exposed, and thereby giving them the opportunity of starting work immediately.

[Mr. Deslauriers.]

I understand that the Canadian Pacific railway has made arrangements to settle in this manner, within three years, 1,000 families, according to an agreement concluded with the Empire Colonization Bureau. Indeed, that is a praiseworthy act on the part of that company, but what would still be more practical and patriotic on their part would be to grant this same privilege first to the native sons of Canada, thus cooperating with the Dominion and provincial governments.

If a private concern can do such praiseworthy acts, may we not inquire if our national associations, such as the St. Jean Baptiste Society, Artisans, Caisse Nationale d'Economie and l'Alliance Nationale could not take an interest in our problem with their large funds available each year and under the guarantee of the Dominion government as it was done in France, when the Credit Foncier was founded. Could not some sort of an experiment be carried out?

All citizens, whether Canadian born or naturalized must, as their first duty, work for the development of their native or adopted country as the case may be. We are aware, however, that money is every day sent out to foreign countries in order to provide for a brother or a sister. Such things are possible under our Immigration Act drawn up and enforced in such a manner as to allow this state of affairs. The Canadian naturalized citizen should have the privilege to gather around him in Canada the members of his family, a very humane thing since the natural law compels the children to look after their father, mother, brothers and sisters and such is the case in all civilized nations; thus, it is an anomaly of our Immigration Act to allow a brother to bring over his brother providing he is not married. Is not the aim of immigration to increase the population? This young man will in time found a home, become naturalized, yet the law denies him the right to bring over his future wife. This seems to me to have no sense. The fear that these young people will become a charge on the State does not seem to me admissible. It is clearly proven that the spirit, family education and the economic life of these people make this impossible—that these people become a charge on public charity—thrift among them seems to be a family virtue.

I had the opportunity to verify in my own riding, where five or six churches have been erected by these various nationalities, the strength of their respective organizations, their proverbial honesty, their punctuality to meet their obligations and this without exception. All this tends to prove that they have the true conception of the principles of

justice toward society, and which must naturally bind them first to their parents. Observe that they are noted for their powerful associations and the care they give to the education of their children who rank at the head of their classes in our English and French institutions. For the present, sir, we may disregard immigration as a problem, and we must condemn this present system wanting us to accept an intensive immigration under false colours, the real aim of which is to rid the motherland of its problem of unemployment and bring on a peace without sacrifice to its millionaires. We are in duty bound to safeguard the rights of our working class to a living and at a reasonable salary. Already our unemployed are sufficiently numerous in our towns, and we are not anxious to see a renewal of the scenes, troubles and hardships of 1913, when, without any consideration whatsoever, we attracted to our shores large waves of immigrants. Moreover, there is nothing to hurry us to over-populate our country and find ourselves facing the same problem as in the United States which to-day are forced to enact quota legislation. In Italy, Germany and Japan overpopulation of a restricted territory is a source of much trouble. Let the motherland preach the spirit of sacrifice and patriotism to her millionnaires in order to better the lot of the people.

Canada is prosperous in all fields of activity, it behooves us to have an eye to its development, which may be slow if necessary, but sure, in such a way as to have this desirable state last as long as possible, and to guarantee to our people that life of freedom, peace and happiness that all nations seek.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, during the course of this debate it seems to have become a custom to say something about those who first dealt with the issues which arise in connection with the budget. I do not propose, as the hon. member for Fort William (Mr. Manion) said, to toss many bouquets, but I think it only just to say with regard to the acting leader of the opposition (Mr. Guthrie) that we were extremely pleased with his excellent presentation of his case, and I think perhaps it is not out of the way to say that it was one of the best speeches he has ever delievered in this house. However, while I admire the manner in which he presented his arguments I cannot say that I entirely agree with them.

Having said that, I want to add that one of the things which has struck me as rather remarkable in this house during the last few years is that during the whole session those who sit to the right of the Speaker almost always adulate and praise the government in power of the day, seldom finding anyhing in their actions to criticize, while those who sit to the left of the Speaker almost invariably find fault with the government. Their very name, "the opposition," signifies that they are here to oppose, and this session the highest point of opposition was reached in the statement of the acting leader of the opposition that the present government had reached a carnival of extravagance through taxes wrung from the people. I think that was the height of the condemnation of the present government. However, there are evidences that the country at large is getting rather tired of this partisan state of affairs and this method of dealing with the business of Canada, the public takes with a grain of salt what may be said from the right of the Speaker in praise of the government or what may be said from the left of the Speaker in condemnation of the government. I was rather struck with an article appearing the other day in no less a Liberal paper than the Calgary Albertan, which is a strong supporter of the government. Dealing with this very question of partisan speeches, the article says:

> Twice in the present session of the House of Commons members have been privileged to witness the rather unusual spectacle of members voting strictly according to conscience without reference to party.

I wonder if there could be a more striking condemnation of our partisan system than the statement that it is a most unusual thing to see members of the House of Commons voting according to their conscience. Then the article goes on to say that whether satisfactory results were achieved in these two deliberations during which members voted according to their conscience—

> A tendency to independent thought in parliament is something to be welcomed. It encourages the hope that in Canada the day is coming when it may be no longer true that, as Gilbert said of the parliament at Westminster:
>
> "When members of the house divide,
> If they've got brains and cerebellum too,
> They have to leave their brains outside
> And vote just as their parties tell 'em to."

I was rather struck this afternoon with the remarks of the hon. member for West Hamilton (Mr. Bell). He took up the cudgels of the unemployed and spoke of poverty and sorrow in the city of Toronto; in fact I told him he would make a very good labour man and asked him why he did not sit in this corner with the representatives of labour.

Mr. McGIBBON: You must remember that he is opposing the government.

Mr. ADSHEAD: He might sit on the neutral benches and say exactly what his conscience told him to say. At any rate, he seemed to blame the present government for the poverty and unemployment which exist in the city of Toronto. I may say that as far back as 1913—and I am not blaming the government—in the city of Calgary I was in a parade in which a large number of unemployed walked through the streets waving banners on which were printed the words, "Shall we work, starve or steal?" At that time a Conservative government was in power and they repudiated any responsibility for unemployment. When the tide turned and the Liberals came into power, unemployment once more stalked through the land and made its appearance in the city of Calgary, and this government also repudiated any responsibility for that unemployment. I have letters on file from Hon. James Murdock, then Minister of Labour, in which it was distinctly stated that unemployment was not a federal but a local responsibility, and that although the government proposed to extend a certain amount of assistance it was only to be of a temporary nature, since unemployment was not the business of the federal government at all. So we see that all governments, whether Liberal or Conservative, repudiate any responsibility for unemployment, and the hon. member for West Hamilton had no right to chastise or blame this government for unemployment in the city of Toronto.

In considering the budget I must say that it seems a rather innocuous affair; it does not seem to have very much in it about which we can talk. However, I think we should congratulate the Minister of Finance (Mr. Robb) on the fact that he has a surplus. We are glad he has not reduced the income tax, but we are sorry to see that the reductions made in the tariff are certainly in favour of the manufacturer. It is a colourless, stand-pat sort of budget. No doubt the Minister of Finance had in mind the public opinion which has been expressed as to what the United States might do with their tariff, and I think possibly he was justified in marking time and in presenting a sort of stand-pat budget which is colourless and innocuous. There is very little in the budget to vote for; however, there is nothing in it which I consider it necessary to vote against, so that I do not see anything else to do but vote for it.

The Minister of Finance might well consider the suggestion of the hon. member for Last Mountain (Mr. Fansher) in connection with the harvesting machines, the swather and the combine, which are purely harvesting machines. I attended a banquet at the city of Toronto not long ago at which Hon. Mr. Euler and Hon. Mr. Stewart were present. A gentleman sat beside me and during the evening he related his experience with the swather and combine. He had two sections of land and when the snow came in the fall of 1928 he told me that had he not had the swather he would have lost his entire crop. He used that machine as a harvesting machine, and he was able to thresh his grain in the spring, and get No. 2 grading. The evolution of farm machinery shows that that is a true harvesting machine. We first had the sickle, and after that there came what was called the grapevine cradle. After the cradle there came a reaper, and after the reaper came the binder. We had some difficulties at first with the wire binder, but finally that was adjusted through the utilization of binder twine. We have gone one step farther and now we have the swather and the combine succeeding the binder in the mechanical evolution of farm implements. I would make a strong and earnest plea to the minister to support the contentions of the hon. member for Last Mountain, that he place these machines where they belong in the tariff rating, thus enabling them to come into the country under a six per cent rather than a ten per cent duty.

During this debate we have heard considerable about the favourable balance of trade. If our exports are greater than our imports we hear it said that the country is prospering; if our imports are greater than our exports then it is said we are not prosperous. I consider that an entirely erroneous idea. There is no real difference between imports and exports, because imports are accounted for, either by exports or in some other way.

The acting leader of the opposition has said that we in our corner never talk politics, but I think we should talk politics if politics is the business of the country. The word "politician" is looked upon as not being a very creditable term when applied to any man, while the word "statesman" is considered in the opposite light. I have been told that a statesman is a man who desires to do something for his country, while a politician is a man who would like his country to do something for him. The fact that our exports are greater than our imports seems to be taken by the minister as evidence of the country's prosperity, and when the imports exceed the exports then my friends on my left consider that business is being depressed. One of the greatest exporting nations of recent years has been Germany. She exported her coal from

the Ruhr to England to such an extent that it nearly ruined the coal industry there. Surely no one will say that because she was such a large exporting nation she was prosperous. If Canada's exports are greater than her imports it may be that we are a debtor nation; it may be we are paying some debts and have to export more than we import, but unless the exports and imports of a country are analysed there is nothing to show whether that country is prosperous or not

I have before me a statement from the last English budget. The English people do not take it for granted that business is necessarily dull when their imports exceed their exports. They do something else, something which the Minister of Finance and the acting leader of the opposition have failed to do; they analyse their exports and imports to see just where they stand. If the Minister of Finance had to bring before this house a budget which showed a debit balance of imports over exports amounting to £359,500,000, as was the case in England last year, I am quite sure my friends to the left would hold up their hands in holy horror and the cry would go out that business was being ruined because our imports exceeded our exports to that extent.

An hon. MEMBER: You mean your friends to your right.

Mr. ADSHEAD: To my right, but on the left of the Speaker. You do not hear the Conservative party at Westminster saying that business has been dull simply because their imports were £359,500,000 greater than their exports. Even when their exports were greater than their imports they did not consider they were necessarily prosperous. They analysed these things to find out just where they stood. What did they find? They discovered the invisible imports and exports, the balances paid on account of interest, and in the final analysis they found they had a net credit balance of £149,000,000. Perhaps it is for the purpose of creating political capital that the opposition endeavours to give the outside public the impression that business is not prosperous because our imports are greater than our exports, while the other side leads the public to think we are prosperous because our exports are greater than our imports. I heard some hon. gentlemen on this side actually say that because we had bought from the United States so many million dollars' worth of goods than we had sold to them, Canada's good money was over in the United States whereas it ought to be in circulation in Canada for the benefit of our own people. I do not know why hon. members will make such erroneous statements, because I am quite sure they must know better. I am only a tyro in the study of economics, but my hon. friends who make those statements from year to year must surely know better. If they do not, they ought to and if, knowing better, they wilfully make statements of that kind they are doing so in a deliberate attempt to mislead the public. Such a course is no credit to the House of Commons.

I said a few minutes ago that the hon. gentleman who was acting leader of the opposition made an excellent presentation of his case, perhaps one of the best speeches I have heard in the house from that hon. gentleman during the three sessions I have been a member of parliament. Although as I have said, I liked his manner, I certainly cannot agree with his matter. One statement he made sounded extraordinary to me and I thought I would take it home and analyse it. He said that the enormous load of taxation was wrung from the people, and then he added: "What if the rate of taxation is reduced? Who cares for the rate? It is the amount of taxation that matters." That is a remarkable statement. I am not necessarily well versed in economics, but the peculiar and, so far as I am concerned, the amusing feature about the statement was this: he actually quoted William Ewart Gladstone, one of the chief leaders in days gone by, as having made that statement. For a Conservative leader to quote William Ewart Gladstone was something new to me. I should like the hon. gentleman to tell me where William Ewart Gladstone ever said any such thing, because I should be glad to read it. I do not say that he made no such statement because I do not know; but the humorous feature was this, that he turned to this corner of the house a little while after and said that very soon hon. gentlemen to his left would be leaving the musty, duty theories of Adam Smith of a century or so ago and turning to protection. There was no keener student of Adam Smith and no more devout worshipper at his shrine than the William Ewart Gladstone that my hon. friend quoted. It does not follow that because a thing is old, it is of no value. I am particularly astonished that my hon. friend who holds the past in such great reverence should make a statement of that sort. If we go back even to Euclid, who said, some centuries before Adam Smith lived, that two sides of a triangle were greater than the third, my hon. friend would discredit that on account of its age and because Euclid said it. There are many things which Adam Smith said which are just as true

to-day as they were then, because two and two will always make four and that is true of what he said with regard to economics.

But I want to follow up the reasoning of my hon. friend. He said: "The amount of taxation is the great thing. Who cares for the rate?" After that statement my hon. friend should come over to this corner of the house. I turn to the public accounts and I find that the amount of income tax collected, when the rate was five per cent was $47,386,000. When the rate was reduced to four and one-half per cent, the income tax collection increased to $55,571,000, and upon being reduced to four per cent, according to the statement of the Minister of Finance the expected income tax receipts for this year will amount to $58,000,000. My hon. friend says we are burdened with taxation, and asks: "Who cares for the rate so long as the amount of taxation is reduced?" So we know that he is opposed to the income tax levy and will join with us in asking the Minister of Finance to raise the rate of the income tax to five per cent, because, if the rate is raised, the collections will be less than before.

Mr. STEWART (Leeds): What about the double taxation of income?

Mr. ADSHEAD: I do not know that that applies to the question at issue. That is another matter which might very well be considered. If it comes to an extreme condition of affairs like that—who cares about the rate so long as the amount of taxation is decreased?—my hon. friend will be a free trader by and by, because who cares about the rates if we can only get less taxes collected under the tariff?

I come now to a statement made by my hon. friend in connection with the Australian treaty. Last year I had something to say about that treaty; the hon. member for Frontenac-Addington (Mr. Edwards) and I had a few words, and I stated in the house that if the farmers of the west could not meet the competition of our confreres of the British Empire 10,000 miles away over the equator in connection with butter, they had better learn the dairying business or go out of business altogether. I was chided by somebody for making a rather radical, rash statement. I took up the question immediately on my return to Calgary. That statement had preceded me, and the dairymen who were making butter but not milking cows took good care to spread the report throughout my district, where there are a large number of dairymen who milk cows. I was called to a large meeting in one of the rural districts where they have a big hall, and some of my friends who make butter but do not milk cows sent their agents there. The community hall was full, ladies and representatives of the United Farmers of Alberta being present, and I was asked to speak. I said: "I have come to render an account of my stewardship; what shall I speak about?" Immediately people in the audience cried out: "The Australian treaty." The only thing I did was to take the Hansard report of what I said in the house and read it to those present. I said: "By that statement I stand. What have you got to say about it?" I said: "Do you want me to go to the House of Commons and be an advocate of free trade and lower tariff in regard to the things you want to buy and then be a protectionist in regard to the things you want to sell?—because if you do, you had better get somebody else to take my place." I discussed the matter at some length, and when the meeting closed I received from that large audience in the community hall a standing vote of confidence. I was instructed to come down to the House of Commons and say that at least the dairymen in my constituency were not opposed to the Australian treaty, and they were not going to be free traders in those things they wanted to buy and then turn around and be protectionists in regard to the things they wanted to sell, and thus be caught in the meshes of my protectionist friends to my right.

In January, 1923, there was a dairymen's conference in the city of Winnipeg and the report, as given by Miss Cora Hind, of the Manitoba Free Press, makes this statement:

> He deplored the fact that there had been, during the year a falling off in total production due to some extent to the high prices on feed in the spring of 1928 and the high prices offered by American buyers for dairy cows. The high price of cheese too had been a factor in the reduction of the butter output. He stressed the growing home market and warned the members that if they were not prepared to produce enough to supply home demand they could not find fault if it was brought in from other countries.

I also had some kind friend who sent me a statement from the Saskatoon Star and Pheonix, giving a report of the cooperative dairymen's association showing the events of the year, showing how much butter they had made and what their success was. In reading over this cooperative dairymen's report I find this statement:

> That Saskatchewan products and particularly those of the districts adjacent to Saskatoon are finding a demand and a popularity abroad is evidenced by the ship-

ments of creamery butter that are sent not only to eastern Canada and the United States but to the British Isles as well. The proof that these products are of first rate quality is seen in their demand in countries where world competition is unusually keen. The British markets receive goods from New Zealand and the Netherlands to say nothing of other lands noted for their fine dairy products. Saskatoon products measure up well to the high standards set in the world markets.

Our Saskatchewan friends mention specially the Australian butter which they have met in competition in the British markets, and they say that if they can meet the competition in England they are not afraid to meet the competition in Canada.

There was one more statement which my hon. friend made. He said that the Australian treaty was a gold brick. And then he made the statement that we had imported from Australia and New Zealand no less than $6,000,000 worth of butter during the year 1928. I have the returns. My hon. friend is right; it is not quite $6,000,000, but that is near enough for all practical purposes. The actual amount of Australian and New Zealand butter imported into Canada during the year 1928, to December 31, was $5,937,170. There my hon. friend was right. But as to the Australian treaty being a gold brick that is another matter. My hon. friend gave only half the truth; he gave only half the facts. I wonder why he did not give the other side of the question as well as this. What is the other side of the question? It is that the farmers in Quebec and Ontario found it far more profitable to ship their milk, cream and cheese and other products into the United States—

An hon. MEMBER: No.

Mr. ADSHEAD: My hon. friend says, no. Very good. I have the figures here to show exactly what I am talking about. I am not making the statement without knowing what the facts are. In the year 1928 the farmers of Quebec and Ontario, finding it more profitable to ship their milk and cream and cheese, and send their milk to the condensed milk factories and evaporated milk factories, shipped to the United States no less than $8,749,932 worth of milk, cream and cheese and evaporated milk and condensed milk. Now, you cannot have milk and sell it; you cannot have cream and sell it and have butter too. For that $6,000,000 worth of butter which we imported from Australia these men sold their products of milk and cheese, and those other products I have named, to the United States—I am not quite certain of this figure—for about 60 cents a pound.

Mr. McGIBBON: May I ask my hon. friend a question?

Mr. ADSHEAD: Yes.

Mr. McGIBBON: Is he not aware of the fact that the butter fat has been decreased in every province in the Dominion except British Columbia? That is a matter of record, not a matter of opinion.

Mr. ADSHEAD: Well, supposing it has.

Mr. McMILLAN: Butter fat is not the basis.

Mr. ADSHEAD: It does not alter the fact that those farmers in Quebec and Ontario chose to ship their milk and cream to the United States, cream to the extent of $5,591,816; milk to the extent of $866,920, and cheese to the extent of $1,841,874, and so on, the total amount being $8,749,932. That comes to about 60 cents a pound for their butter. And they bought the Australian butter themselves to take home instead of making their own butter. So that out of that $6,000,000 of imported butter they received themselves $8,749,932, or a difference between the two in their favour of $2,833,263. That is a difference of over $2,000,000 which my hon. friend says is a gold brick.

Mr. RENNIE: May I ask a question of my hon. friend? Does he admit or not that our dairy herds have decreased in Canada in the last twelve months?

Mr. ADSHEAD: What I read a minute ago clears that up. It says that that was due in 1928 to the scarcity of feed and also to the high price paid by American buyers for Canadian cows.

Mr. McGIBBON: But the fact is that they have decreased.

Mr. ADSHEAD: Supposing they have? They still have this $2,000,000. You will find when you start to scratch beneath that gold brick that instead of being a gold brick it is a brick of gold.

Mr. McGIBBON: Go and tell the farmers that.

Mr. ADSHEAD: I have told them.

Mr. McGIBBON: They would not believe you.

Mr. ADSHEAD: They believed me to this extent, that they have sent me back with that message to this house. That is exactly, Mr. Speaker, why I am so firm in that.

An hon. MEMBER: Not in the next election.

Mr. ADSHEAD: I shall be glad to meet my hon. friend any time on that question. I will give him the privilege of the platform any time he desires.

There is a part, however, of the statement of the acting leader of the opposition with which I fully agree. That is when he quoted the Australian treaty as regards raisins. I stand with him there. I do not believe there should have been any tax upon Australian raisins coming into Canada.

Mr. McGIBBON: That is part of the Australian treaty.

Mr. ADSHEAD: I know that, but I do not approve of it. I agree with the hon. gentleman who spoke for the leader of the opposition. He stated that as Canada does not produce raisins we should bring them into Canada as free as possible. Those were his words. Does my hon. friend agree?

Mr. McGIBBON: He denounced the treaty.

Mr. ADSHEAD: Not in whole; in part. Does my hon. friend think that because we accept one part we must necessarily disregard the whole? But I agree with my hon. friend that because we do not produce those things in Canada they ought to come in free of duty. That is his statement. Very good. Then my hon. friend will go a step further. We do not produce tea in Canada, but it bears a duty of ten cents a pound. So I am sure he will go with us to the Finance minister and request him to take off that duty simply because tea is not grown in this country. Then we do not produce coffee, and yet it is subject to a tariff only of from 2½ to 3 cents a pound.

Mr. McGIBBON: Does the hon. member think that that duty destroys any industry in Canada?

Mr. ADSHEAD: No; that is what my hon. friend said about the duty on raisins, that because Canada does not produce raisins no Canadian industry would be destroyed if they were allowed to come in free. That is perfectly logical. But if it is logical in regard to raisins, it is also logical in regard to tea and coffee.

An hon. MEMBER: What about butter?

Mr. ADSHEAD: Yes, if you like; we will go that far because we are not afraid of competition. As my hon. friend from Lisgar (Mr. Brown) said this afternoon, what would happen if the farmers asked for protection? I told the farmers of my constituency: If the protectionists on the right of the Speaker and on the left—they are on both sides; no question about that—could get the farmer to accept protection of three or four cents a pound on butter, those protectionists would almost howl for joy, for there would be no occasion then for the farmers to send representatives to parliament to express views similar to mine.

Mr. McGIBBON: The farmer is asking for protection.

Some hon. MEMBERS: Order.

Mr. ADSHEAD: Then the protectionists would ask for increased duties on everything that the farmer has to buy, they would increase the tariff on rakes, mowers, binders, trucks, and so forth.

Mr. DICKIE: Oh, no.

Mr. ADSHEAD: Why not? In the past they have been asked by the manufacturers to do so, and will be asked again. Therefore the farmer would stand to lose in the game. I am glad to say that my constituents have sent me here with the same message which I brought last session: that we are not going to run with the hare and hunt with the hounds—we are not going to be free-traders with respect to all those things we want to buy and protectionists with respect to all those things we want to sell.

Mr. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, the hon. the Minister of Finance (Mr. Robb) has presented six budgets to this house, and this, his most recent presentation, has been commendable for the same lucid and dignified manner that has always characterized his activities in parliament.

The Robb budget, as it is called on the street, has been the annual business menu of Canada for the past six years. Budgets are usually of great national concern, but this one comes as a shadow only of something better to be expected at a more opportune time. Of the past, it is a glittering jubilee of power; of the future, it is more conspicuous for the provisions that are absent than for the minor changes it contains. It is undoubtedly the most colourless of all the budgets presented by the hon. minister. Surely it is an indication of an election in 1930. It plucks credit from the bed of providential roses for past prosperity, and vainly assumes that optimism for the future is born of this government's administration. It is like the old maid, who when told by a friend that the announcement of her engagement had appeared in the paper, was agreeably surprised and answered: It is not a fact, but I thank God for the rumour

It is indeed of interest, Mr. Speaker, to review the record of these apostles of economy. We have heard their heralded reduction of our national debt, and we have listened to the applause of their supporters as the minister removed the nuisance taxes from the rich and left the sales tax on the necessities of the poor at over four dollars for every man, woman and child in Canada. Every year we listen to the estimated debt reduction and relief of taxation, but it is noteworthy when one takes the government's own figures from Hansard of 1922 to find our net debt of $2,340,000,000 on March 31 of that year, reduced to $2,296,000,000 on March 31 of 1928. That is a reduction in six years of $44,000,000. During the same period the government guaranteed railway bonds to the amount of $253,000,000. So they have reduced the first mortgage on our estate and increased the chattel mortgage by six times as much as the first reduction on our holdings.

The war long since over, the government now propose to reduce in part only the taxation which the people have borne with great patience year after year, hoping for its total removal. I might ask, to whom will such relief be of most benefit? Surely not to the labour man or farmer on the rare occasions when he travels by train. He will save five cents on his ticket; while his wealthy friend who travels often and can afford a chair car and sleeper will save twenty-five cents. And if his wealthy friend seeks recreation in an overseas tour the government propose to save him five dollars on his ticket and three cents every time he cables or sends a telegram to his friends while en route; but the poor man will still pay two dollars sales tax on every one hundred dollars of his wages spent for the everyday necessities of his family. When the capitalist wishes to invest in the high-priced stocks he will pay less than the former tax, while the small investor in penny stocks will pay a tax of fifty per cent or more. As a result the small corporations will be retarded in their development accordingly.

It is therefore little wonder that the minister hesitated to call this a poor man's budget. It is perhaps for this reason that a private resolution was offered for the young and strong, by which families of five or more might be fed by the state; and for those seeking employment an unemployment insurance scheme to provide what is known in Great Britain as "the dole" has also been privately proposed. To the great basic industry, agriculture, relief will be offered by long-term government loans. To those toil-worn in cheap labour and with hopes undone by the years that are passing under this regime of unfair competition, the old age pension will be ready waiting. Is this the essence of unprecedented prosperity so glibly referred to, or is it a preparation for a less prosperous future ensured by present policies? It is indeed true that there are signs of prosperity in Montreal, Toronto, Winnipeg, Vancouver and other cities. The optimism of the Canadian people in our great natural endowments of mineral wealth has been responsible for much prosperity through speculation on the stock market, associated with the appreciation of a great heritage together with bountiful harvests of wheat in recent years. But, Mr. Speaker, with our hon. friends to your right rests the trusteeship of this estate. It is, therefore, to them the Canadian people have looked—but in vain—for leadership, for some sign of statecraft in business policy in keeping with these bountiful years of natural blessings, some direction toward an equalization of conditions whereby this so-called prosperity might reflect more reasonable recompense for the individual endeavour of all classes of our people.

Since this government has been in power we have seen the individual crowded out of business by the highly organized corporation. Individual business men in every section of the Dominion have been driven out of business by the chain organizations of big interests. The identity of the family name is no longer preserved on the window of the thrifty country stores, but is now replaced by the large corporation name most suitable for advertisement and mail order influence. It is pleasing, however, for the Prime Minister (Mr. Mackenzie King) and the Minister of Finance to refer to the reports of the presidents of such organizations speaking at their respective annual meetings, of the prosperity they are enjoying through these amalgamated forces of commerce. It seems to me therefore that the government have listened to too much of the reports of presidents and heads of different highly organized forces of industry. The Prime Minister has quoted reports of different institutions, but in my opinion what we need is more of an outlook with the interests of the Canadian people as a whole in view. Since this government came into power we have seen a gradual increase in the imports of manufactured goods. In 1928 we purchased $400,000,000 more than we did in 1922, and $78,000,000 more than in 1927, while we exported $17,000,000 less, notwithstanding the fact that we had an increased export of wheat of $46,000,000. Thus we find ourselves in the position of a country with a population of 9,000,000 purchasing about $350,000,000 more

than we sell to a country with a population of 120,000,000. It is difficult to see wherein there is sound economic management when such a situation is brought about. Since this government's latest inoculation with the free trade virus from the west, we have witnessed a gradual increase in the importation of manufactured goods, and the effect upon the consumer calls for serious consideration.

In 1925 the government reduced the tariff on automobiles. What has been the result? From 1925 to 1928 there has been an increase in importations of 260 per cent. And what has been the effect of the change from the standpoint of the consumer? From 1922 to 1925 the prices of automobiles declined 33 per cent, whilst in the period from 1925 to 1928, after this government reduced the tariff on cars, the consumer has benefited by reduction of only 9 per cent in price. We can therefore easily perceive the fallacy of the free trade idea in this connection.

The same thing is true with respect to farm implements. This government in 1922 reduced the tariff on farm implements 2½ per cent, while they tinkered with the sales tax, making a reduction of 1½ per cent; and they provided for drawbacks of 30, 40 and 99 per cent in respect to different articles of manufacture, giving the farmers to understand that they would have cheaper implements. I submit however, as one who has purchased these implements in all these years, that the farmer has not benefited one dollar. I have heard the Prime Minister make the statement that the unprecedented prosperity of the farmers was due to the reduction in the duty on the tools of production. I will ask any farmer in this house, or any member of the government, to show me wherein, taking a $2,500 set of farm implements, the reduction in the tariff since it was put into force has resulted in a sufficient reduction in price to enable the farmer to buy his boy a toy wheel-barrow. We know quite well that the increase in importations has been enormous. Every year since the government reduced the tariff on farm implements there has been a gradual increase in importations, according to the statistics we have before us. In 1924 the government reduced the tariff on farm implements 4 per cent. What has been the result? The United States papers tell us how many boys and girls have emigrated from Canada to that country since that time; every year we have seen a marked increase in the exodus. In 1928 we had $11,000,000 more of importations in farm implements than in 1927; and in the first nine months of the present fiscal year Canada has been importing from the United States over $30,000,000 worth of these implements, and exporting from $3,000,000 to $4,000,000 less. The fact is that the Prime Minister has not effected a reduction in the price of the tools of production which the farmer uses. And if he has not brought about a reduction in price—and I maintain that he has not—surely $30,000,000 spent in 1929 for farm implements of United States manufacture, if spent in Canada, would foster the industrial life of Canada and represent something substantial in the way of home markets in this country.

Let us take the two items, automobiles and farm implements. Last year we imported upwards of $100,000,000 under these two heads. I think it is reasonable to assume that $60,000,000 of that would represent labour, which would have maintained 300,000 more men, women and children in the Dominion. This is not the only evidence of fiscal instability on the part of this government, who have shown no evidence of a desire to preserve our markets either for Canadian industrialists or for Canadian farmers. We feel satisfied that the Minister of Immigration (Mr. Forke) might find some solution of the all-important question of labour by recommending to his leader and colleagues a fiscal change whereby diversified labour might be reasonably recompensed by the manufacture of our own requirements in this country. The minister scoured the whole European continent to bring immigrants to Canada as fast as our own Canadian boys and girls were leaving the country. In five years of his administration he brought into Canada 518,000 immigrants, while he watched 556,000 of our own Canadian boys and girls leave the Dominion. But, I would point out, these 556,000 Canadians needed nothing in the way of assimilation; they did not need to be taught our language. On the other hand, of the 518,000 who came into the country, 35 per cent could not speak the language and therefore had to be taught it before the process of assimilation could begin. These immigrants came to Canada at a cost of $32 per capita, and anyone who can see sound economic business in the Immigration Department, with such a situation existing, must certainly have the free trade obsession. We find the Minister of Immigration floundering as hopelessly as ever in the free trade tanglefoot. However, while he may never unravel the problem he has helped to tangle, the Canadian people will find in this, and this alone, at least the beginning of an immigration policy for Canada when next they have an opportunity to express themselves.

In view of the fact that I have the honour to represent a riding engaged chiefly in agri-

culture—I might say, intensive mixed farming for which the fertile lands of Dufferin-Simcoe are favourably adapted, and in which I am also personally engaged—it comes to me as a thrill of inspiration when the Prime Minister, general managers of banks, presidents of highly organized companies, and heads of the different commercial interests all emphasize the significance of our enterprise as the great basic industry—agriculture. Surely we have a right to expect consideration by this government; but to the surprise of everyone who understands rural activities, and to the disappointment of those so engaged, who have knocked at the door of the government for protection against unfair foreign produce, no relief is forthcoming. We have in the present cabinet four farmers, who have been listening to the representatives of agriculture, from one end of the Dominion to the other. Dairymen from every association in every province have been appealing to the government—what for? Only to be allowed to maintain their own markets for their own products. Vegetable growers all along the southern line, and fruit growers east and west, have also been making their appeal. And what has been the result? These four members of the cabinet from the agricultural vocation say to the farmers of Canada: "Surely you farmers will not be benefited by protection. We were only farmers and immigrants ourselves, and now look at us, almost intoxicated with unprecedented prosperity." It does seem to me that if agriculture is our great basic industry some of these ministers should assume the responsibility of speaking for their vocation. Where have these champions of farmers' rights disappeared to? Those hon. gentlemen who crossed the floor of this house to the larger party did so ostensibly to devote themselves to the interests of the farmers. What are they doing now? Do they realize that over 18,000,000 pounds of dairy products are coming into the country from New Zealand and other places? Surely the Minister of Agriculture (Mr. Motherwell) should give this matter his attention; he should consider mixed farming as the groundwork of this great basic industry. Because, while wheat growing from the virgin soil of the Dominion is an important industry in which as Canadians we all take pride, I submit—and I know that every agriculturist in this house will agree with me—that we cannot go on forever with this form of soil mining. When we produce $100 worth of wheat on the farm we sap the soil of its productive value to the extent of $18; that is, it takes approximately $18 worth of phosphoric acid, nitrogen and potash from the virgin soil, but when we produce $100 worth of dairy products the fertility of the soil is renewed by approximately $30 worth of these materials. Therefore I submit that this government's policy is undermining the very basis of this great basic industry of the Dominion. We must remember also that in the production of pork to the value of $100, according to scientific analysis $23 worth of phosphoric acid, nitrogen and potash are returned to the soil. Even the production of $100 worth of eggs or poultry, of which this government make it their business to import, returns to the soil from $12 to $15 worth of these materials; the production of $100 worth of mutton returns an approximate value of $20 to the soil. Why, Mr. Speaker, who is there among the farmer members of this house that can say for one moment that we are putting agriculture on a sound economic basis? Who is so optimistic as to say that we can develop agriculture in this country under these conditions? I say this government have done much to undermine that most important industry.

Now, Mr. Speaker, I endeavoured last year to take this up more fully, but I know even the wheat growers are becoming convinced when we find such authorities as Doctor Saunders, who developed the marquis wheat known the world over, and from whose wheat the western provinces produced their millions of bushels in recent years, stating in a speech not long ago that he felt the western wheat exporter was too intelligent to increase very much his wheat exports but looked forward to the day when wheat exports would be less important and replaced to a great degree by the production of beef, mutton, pork, dairy products, et cetera, for export. We know very well that the farmers throughout Canada are not satisfied, and I submit that no farmers' party to-day speaks for all the farmers of Canada; I believe the farmers are anything but satisfied. They are dissatisfied with the absolute neglect of this government. They realize that the government have spent about $800,000 to establish foreign embassies, to sweeten international relationships and to help develop foreign markets for our products, while they have refused to take care of the home market. On the other hand we find the Minister of Agriculture and all the other farmer members who sit around the cabinet table doing nothing in response to these appeals during the last two years. Did they crawl under the table when these appeals came before them? For years the Minister of Agriculture has turned his deaf ear to these requests, and during the past summer, when the farmers of this country were toiling from early morning till late at night, the minister

was doing nothing for them. They will look through this budget in vain for anything which will help them; they may even search for that old slogan which was formerly a feature of the Robb budgets, "Work harder and spend less," but they will not find even that. I believe the farmers from one end of this country to the other realize that this government have shown very little interest in agriculture except to make boastful references to it. The Minister of Finance continues to preach economy, retrenchment and thrift to our farmers, but the farmers know that he has collected from the people in taxes during 5 years of 1922-27 $259,000,000 more than his predecessors collected during the five years from 1917 to 1922 while part time engaged in the war. Yet the minister tells the farmers that the government cannot afford to continue the agricultural grants to the provinces, which were discontinued a long time ago; that they cannot continue the grants for technical education, and that they cannot consider for a moment granting money for a highway proposal which would be of great benefit to the rural districts of Canada.

But, Mr. Speaker, let us look at the other side of the question. According to the Auditor General's report the government spent $542,000 for automobiles for the use of the various ministers and their departments, and now the government propose to expend $3,000,000 to destroy valuable buildings in Ottawa so that these high-powered machines may have room in which to operate, and also I may say in order to beautify the view of the parliament buildings so that this will be the show window of Canada's great prosperity. These farmers who work so hard and who were toiling under the hot sun all last summer realize quite clearly that while they were toiling the Minister of Agriculture drove his high-powered automobile on board a steamship and toured the countries of Europe as a testimonial to the unprecedented prosperity of the Canadian people.

I do not wish to detain the house at any great length, but I think the farmers of Canada might well stop and think who are their friends, when the government turn a deaf ear to the needs of the great basic industry of agriculture and when we find even the minister taking no great interest in it. Apparently the sweets of office have so satisfied him that he has forgotten he was once a farmer, because there is not one phase of agricultural activity which has been promoted by any policy brought in by his government.

I believe the people of Canada have watched and waited all in vain for some move by way of retaliation in connection with the proposed tariff of the United States. From one end of Canada to the other the farmers are viewing with alarm the proposed policy of the president of the United States, and they view with equal disappointment and regret the attitude of the present government of Canada. We admit that the United States is a nation very friendly to us, but I submit that it is up to the Canadian government at least to look after our own interests. It does seem to me that when anyone from this side of the house even suggest that Canadians should look after their own interests in a bold and sincere fashion the Prime Minister is going too far when he suggests that this is a dangerous thing to say because it might endanger our friendly relationship with the United States. The United States are quite capable of looking after their own interests. The hon. member for Fort William (Mr. Manion) said the other day that we should look after Canada's interests in a red-blooded fashion; I submit that the president of the United States certainly will look after the interests of his country in that way, and I say it is the duty of Canadians to look after our own business.

This government is drawing near to that famous ten year mark; we have had almost ten years of this weak and extravagant administration, and when the government appeal to the country they will be considered by a cool and calm electorate who will have at heart the interests of all classes of Canada. The electors will consider the free trade policy of this government, which has been thrown out the back door of every other nation of the world, even including Great Britain, the greatest free trade nation of the world. How this government cling to those dusty old doctrines of free trade! But when the government go to the country the Canadian people will say, "We are no longer in doubt as to the fiscal policy of the government; no longer will we be fooled by the tariff board because it costs $120,000 a year." They will say, "We must look past this scarecrow of government protection," and when this stage curtain is removed and the ministers of the crown are revealed behind it the Canadian public will ask, "Why have 750,000 Canadian boys and girls of the old stock left Canada since you have taken charge of affairs? You have talked about unprecedented prosperity while our sons and daughters have sought foreign lands for opportunities to earn a living." They will also ask why our imports have increased until now they have reached the huge total of over $2,000,000 per

day. They will ask, "Why did we purchase over $400,000,000 more in 1928 than we did in 1922?" They will ask why we imported $72,000,000 of shipbuilding since this government has been in power. The total imports if manufactured in Canada would have provided sufficient work to enable 2,000,000 to be added to our population. The government flounders around wondering how to inaugurate an immigration policy, but the people of Canada will soon consider that it is their duty to look after Canada first and have Canada for the Canadians. Unless conditions change materially the Canadian public will desire the inauguration of a national policy, a policy whereby Canadians will have work within their own country, a policy which will permit expansion from within rather than induce contraction from without. Surely this is the way the pioneers of upper and lower Canada intended that we should proceed, so that the descendants of those two great races, our original and foundation stock, should find employment within their country and not be so alienated from their own estate as to have to seek employment in foreign countries by such a policy of unfair foreign competition as at present exists.

Mr. R. H. JENKINS (Queens): Mr. Speaker, the important duty of any government is the administration of the affairs of the country in the most economical and efficient manner possible. The spending of large sums of money does not necessarily mean extravagance, because it resolves itself down to what you really get in return for the money expended. It may be possible to curtail a great many items in the estimates, but it might not be wise to do so. The Minister of Finance (Mr. Robb) receives considerable free advice, and there is a great variety in opinion as to the items which might be reduced or altogether eliminated. Some of our friends would eliminate a large proportion of the estimates of the Minister of National Defence (Mr. Ralston), but there are others in the house who consider the expenditure is not large enough. Differences of opinion exist as to the vote for immigration, and the same applies to nearly every department of the civil government. We believe that the estimates which have been tabled have been very carefully prepared considering the vast country to be served and the needs to be attended to. If in a desire to pay off the debt of the country we neglect public services and allow them to become impaired, we are practising false economy and it would mean disaster in the end. The government is not only attending to the business of the country, but it is also making substantial reductions in the public debt. Some of our newspapers find fault with this policy; they object to the government applying such large sums to debt reduction and state that it might give a little more consideration to the needs of the moment and of the immediate future and let posterity have a chance to carry some of the burden assumed by this generation in the name of prosperity. The Financial Post of Toronto states that any government does a fine thing in steadily reducing the burden of the national debt. It further points out that if circumstances arose which made large borrowings essential at any time in the future the task would be made easier by the debt reductions of today.

A large amount of the present expenditure is due to the Great War; that goes without saying. No government can be blamed for this heavy drain upon our revenues. Roughly speaking, about $160,000,000 is spent each year in paying interest and other charges on this liability. It would therefore appear that it will be necessary to move very cautiously and carefully in the way of reducing taxation. If we keep on eating away at our heavy debt it will only be a question of time before we can appreciably lighten the burden of taxation. Despite the war the growth of our country has been so phenomenal that we may confidently look forward with faith in the future.

Not only have the revenues of our country been buoyant but business in nearly all lines of commercial activity is marching forward. Carefully managed companies which have issued reports for 1928 show a healthy position. I emphasize the word "carefully" because we have heard in speeches in this house of the hard times certain companies are facing. I contend that no matter what government may be in power there will always be corporations and individuals who will find it hard to get along. It is generally their own fault, through inefficiency or lack of service. The Bell Telephone Company shows a substantial increase in the amount invested in plant, an increase of over $1,000,000 in surplus account; and it has also made larger appropriations for depreciation. In 1927 it employed 14,899 people, and in 1928 that number had risen to 16,240. The power companies operating in the Dominion have in every instance, in the balance sheets which I have had the opportunity to examine, made progress and in nearly every case are issuing new stock to provide for increasing business.

The textile companies have had a good year. Penman's Limited, one of the largest operators, show sales of $7,122,264; quite a substantial increase over the previous year. Stanfield's Limited, the largest company in this line in the line in the maritimes, report an excellent year. In order to show the situation at a glance, I desire to place on Hansard a statement issued by the Financial Post, probably the most influential paper of its kind in Canada. This article reads as follows:

Background of Business
Canada

Commodity prices:
Steady at present; may be lower.
Iron and steel:
Good business on hand; more in sight.
Building:
Off to a good start, should be big year.
Foreign trade:
Aggregate greater. Farm products feature exports. Industry importing heavily.
Employment:
Best in years. Seasonal adjustments less violent. Much new work in sight.
Car loadings:
Grain movement less; other loadings well maintained.
Stock market:
Growing more selective; reaction has provided some bargains.
Credit:
Abundant for business. Banks withhold further credit for stock speculations.
Agriculture:
Farmers in good financial position. Perhaps larger acreage this year. Better quality crop desirable. Dairying fair; live stock much better.
Trend:
Further acceleration expected in all areas. Consumption keeps pace with increased production, Newsprint revenues will be lower; flour milling is improving; lumbering slightly better; power output gains; automobile output grows; small firms suffer from competition.

Anyone engaged in business to-day knows that the larger firms are coming along at a very rapid pace and making it very difficult for the small man in business. Mr. L. W. Simms, president of the Canadian Manufacturers' Association, states:

The year 1928 has seen Canada producing more kinds of goods of a greater volume and a higher quality for the consumption of her own people and those of other lands than ever before in her history or the history of any people of like population. The year 1928 has seen a deeper appreciation of and regard for the productive efforts of each section and group in Canada by every other section and group than ever before.

The tourist revenue of Canada has gone up of late years by leaps and bounds, and the year 1928 was the best of all. In that year tourist automobiles to the number of 3,645,455, as compared with 3,153,800 in the preceding year, entered Canada from the United States. This number was over fifteen times as great as that of ten years ago. In advance of the official computation of the value of tourist traffic to Canada in 1928, the figures would seem to indicate an increase of probably $35,000,000 for reported tourist travel alone over the $161,418,000 reported in the Dominion Bureau of Statistics estimate for 1927, bringing the total estimated expenditure in 1928 by tourists entering Canada via ocean ports and from the United States by automobile, rail and steamer, to the sum of $242,754,000. In our province we have a live publicity and tourist association doing a fine piece of work. A large quantity of literature is distributed each year and the men who are connected with the association serve without remuneration, the only expense in this regard being a small amount paid to an energetic lady secretary.

The widely prevalent belief that our country is entirely dependent upon the bringing in of capital from outside sources in order to finance her development is rather rudely shattered by the information disclosed that Canada is sending out of the country more money than she is bringing in and has been doing so for the past four years. We have always had considerable investments abroad in the form of banking balances in London and New York, railway lines in the United States, and investments in foreign securities by banks and insurance companies as well as private individuals who require diversified lists of securities. A rising Canadian prosperity with a greater volume of funds seeking investment outlet has resulted in a situation where the capital leaving the country exceeds by a substantial margin that coming in.

Based on figures issued by the Dominion Bureau of Statistics covering the situation as at January 1, 1927, careful estimates made upon information from most reliable sources by the same authority give the total of Canadian investments abroad on January 1, 1928, at $1,514,500,000 and on January 1, 1929, at $1,672,000,000. Thus the aggregate of Canadian investments in other countries represents more than 50 per cent of what other countries have invested in Canada. Of this total at the opening of the present year Canada had $939,000,000 invested in the United States, $112,500,000 in the United Kingdom, and $620,500,000 in other countries. Investments by Canadian insurance companies in diversified foreign securities continue to increase rapidly with the development of both their domestic and foreign business. Direct Canadian investments in branch plants in the United States commercial field and elsewhere

are growing steadily. Canadian holdings of New York stocks and of European and South American government bonds have increased enormously. Altogether the record testifies most eloquently to Canadian prosperity and world progress.

May I say at this point that I think the Minister of Finance (Mr. Robb) is to be complimented on raising the tax a little on those penny mining stocks, because I verily believe many people in Canada to-day are losing a great deal of money by investing in stocks which are absolutely worthless. I do not say that all mining stocks are worthless, but many of the mines listed on our boards at the present time are practically holes in the ground and will never amount to anything. I am only too pleased to see the minister impose an increased rate of taxation on this kind of stock gambling, and, in fact, I would, if anything, rather see it higher.

Only a few years ago, Mr. Speaker, every taxpayer in the country feared that disaster would overtake the Canadian National Railways. It was with a sense of foreboding and increasing fear that heavier burdens were in store for us in the future that the report of the operations of the system was received. Admittedly the operation of this road had placed an enormous burden on the people of Canada and some of the enemies of national ownership predicted disaster. In 1920 the loss in operation was over $30,000,000. We are apt to forget these things; we sometimes forget the days that are gone by. To-day the surplus on operation is over $58,000,000, an improvement of approximately $88,000,000. This has been brought about largely through the management of Sir Henry Thornton and his associates. The present Minister of Railways (Mr. Dunning) is also responsible in no small measure for the continued building up of the system. A much better feeling has been created in the minds of the public generally towards the road and the fine cooperation of the employees has added much to the improvement of conditions. Railway progress and especially car loadings constitute one of the best indexes we have of national prosperity, and the great Canadian National Railways is doing much for the advertising of Canada and the increasing stability of the country.

Applications by the Canadian National and Canadian Pacific for branch line extensions totalling approximately 1,800 miles of new road form a most encouraging feature of this year's railway program. The extensions will represent an addition of nearly 5 per cent to the total railway mileage of Canada. This new building program serves to show the importance of the new era of railway building in Canada and is one of the most favourable factors in our economic situation. Not only does it mean extra work for construction companies and companies furnishing raw materials, as well as labourers, but it will do much in the development of the country at large and give added work to those who will be employed on the new lines. By the building and operating of such new lines we hope that population as well as production will materially increase.

I wish to say a few words about the fishing industry, in which we in our part of the maritimes are particularly interested. Conditions in the fishing industry in Canada were generally better in 1928 than they had been in 1927, as regards both fishing and marketing, and there was an increase in fishery production of approximately $4,503,000. With the final revision of the year's figures still to be completed, the Fisheries branch puts the total production for 1928 at $54,000,000 as compared with $49,497,038 in 1927. There was an increased production on both the Atlantic and Pacific coasts. As a matter of fact, not only were conditions generally better in the industry in 1928 than they had been in 1927, but last year saw the industry more successful and prosperous than in any year save 1926, since the introduction of the Fordney tariff in the United States. In 1926 exceptionally favourable conditions for fishing enabled fishermen to make unusually large catches and greatly increase production. In that year the value of the fishery production of Canada reached $56,360,633, so that production for 1928 was only some $2,300,000 less than for the exceptional year 1926. As compared with 1923 there was increase in the production in 1928 of approximately $11,400,000.

The sea fisheries of the Atlantic coast—that is, the maritime provinces and Quebec—are estimated to have had a production last year valued at $20,750,000. The Pacific Coast production reached approximately $26,250,000 and the value of the production of inland waters was about $7,000,000. In the case of Prince Edward Island there were increases in several of the catches, as, for instance, lobsters (an increase of 1,674 hundredweight to 64,474 hundredweight); oysters (an increase of 685 barrels to 4,756 barrels); scallops, which increased from 96 barrels in 1927 to 320 barrels, and clams and quahaugs, which totalled 2,552 barrels as compared with 1,174 barrels in 1927. On the other hand, there were decreases in such catches as cod, herring and smelt.

The oyster catch in Canada totalled 21,366 barrels as compared with 21,285 barrels in 1927, but there was a decline in the scallop catch from 38,530 barrels in 1927 to 25,834 barrels last year—a condition attributable chiefly to a lower price level. Exploratory and observational work in connection with scallop and oyster resources were carried on in Prince Edward Island and Nova Scotia during the present year by officers of the fisheries branch. At the Halifax experimental station experiments in connection with the rapid freezing process were carried on and the results are such that it is confidently believed that the use of this process will greatly increase the success and prosperity of Atlantic coast fishermen and serve as well the interests of the consumer in the inland areas of Canada.

Departmental broadcasting of weather, ice and bait reports continued to be of great value to the fishermen. Extension of the fish collection service of the branch on certain parts of the Atlantic coast proved very helpful to the fishermen in ensuring them a steady and immediate market for their fish and in enabling them to have more time to devote to the actual process of fishing.

We sincerely hope the government may see its way clear to assist the fishermen in our province in the same way as other parts of the maritimes.

Speaking particularly of our own province we may state that conditions have been moderately good and business fairly well maintained. Our farmers received somewhat of a set-back owing to the low price of potatoes. To those who have the faith and courage to stand up in the face of adversity, however, we have no doubt that over a period of three or four years they will be able to market their crops at an average price. Our farmers are hard working, systematic and energetic and are not easily discouraged.

The citizens of my province are deeply grateful to the Postmaster General (Mr. Veniot) and his very efficient associates for the carrying on of an air mail service between Moncton and Charlottetown for some time past. Weather conditions are sometimes very trying. I understand the company operating gives an excellent service.

The Canadian National railway line to Murray harbour is being standardized this year and in order to complete the necessary work without interfering with traffic, a connecting link will be built from a point on this particular line to another point on what is known as the eastern line. We have been asking for standardization of the road for some years past. It is the only remaining portion of narrow gauge road on the system and we are naturally pleased to see the improvement made. This will not mean any increase in freight rates owing to the longer haul, because the rate will be given on the shortest distance between any two given points. In our province several short branch lines have been asked for and we hope when the system is completely standardized and other necessary work completed that these requests may be given favourable consideration. I shall call this to the attention of the Minister of Railways (Mr. Dunning) when the estimates are up for discussion.

Fox farming, as you are all aware, is a profitable industry in our particular province and brings in a very large revenue. I have not the exact figures for 1928, but the net results would compare favourably, I think, with those of any previous year. Our pelts command the highest prices in the markets of the world, and breeding stock is shipped to many countries. To show the superior value of our silver black foxes one has only to read the last issue of the American magazine containing an article on fox ranching, in which it is stated that the injection of new blood from Prince Edward Island ranches has been a very important factor in the building up of a better quality of foxes in the American ranches.

A large amount of money has been brought into the province due to the export of butter, cheese and eggs, and in the latter line we are very fortunate in having a splendid cooperative company in the province, operated by the farmers themselves. This company has had a very successful season and is doing exceptionally fine work in increasing not only the quantity but the quality of the product as well.

I would like to refer, Mr. Speaker, to one further matter before I take my seat. There is in our opinion a splendid opening for the building of a new hotel in Charlottetown, the capital of the province. The largest hotel at this particular point was burned early in the year. It is understood that Sir Henry Thornton has asked an expert to go over the situation and bring in a report. We sincerely hope it may be favourable. There is every opportunity to make such a hotel pay because we have the climate which is suitable for tourist business. There is splendid sea and surf bathing, good fishing, plenty of sunshine, no fog—with rare exceptions—and in fact everything conducive to the building up of perfect health. There is no place to be

found in the maritimes to excel our province, and we confidently hope and expect to see a Canadian National railway hotel located at this particular point, because we feel it will not only help the province but be profitable to the railway as well.

I have spoken, Mr. Speaker, of the wonderful progress being made in Canada in various ways. I am sure that as Canadians we ought to be proud of our country, but I am afraid we sometimes fail to realize just what a wonderful country we have, and in it there is no fairer gem than the little island which I have the honour to represent.

I thank you, Mr. Speaker, for your kind attention.

Mr. D. B. PLUNKETT (Victoria, B.C.): May I offer my congratulations, Mr. Speaker, to the right hon. Prime Minister (Mr. Mackenzie King) upon the services he rendered this country at the signing of the Peace treaty? On that occasion he not only honoured this Dominion, but brought great credit to himself as our representative. And may I convey to the hon. member for Quebec-Montmorency (Mr. Lavigueur) my thanks for his kindly greeting upon my entry to this house? I can assure the hon. member that British Columbia values such courtesy, coming as it does from a representative of the historic province of Quebec.

I am sorry that neither in the speech from the throne nor in the budget as submitted by the hon. Minister of Finance (Mr. Robb) was there any specific relief or indication of help for the agricultural interests and working people of this country.

In regard to the prosperity to which the hon. ministers are continually referring to glorify their administration and to distract the attention of the people from the real issue of the day, I would suggest to the Prime Minister that having by force of circumstances been compelled to seek a constituency in the wheat belt, he should visit his constituents occasionally and talk with them. Had he done so I feel sure there would not have been such a tendency on his part to force this myth of prosperity upon the citizens of Canada, and particularly upon those engaged in agricultural pursuits. It is therefore difficult for me to give any further credit to the present government, especially for the budget introduced by the hon. Minister of Finance. I select this sentence from the minister's budget speech:

> The administration will refuse to support any extravagance in the spending of the taxpayers' money.

What hypocrisy and cheap political propaganda that sentence contains! Think of the cost of the trips taken and the time spent by cabinet ministers coming to my constituency in Victoria. I did not have the pleasure of speaking with them on the same platform in Victoria, but I am glad to meet them tonight, for I have a few stories to tell them of what they said on that occasion to the people of the city of Victoria, and I am going to ask them now to make good what they then promised or implied. I would suggest to the hon. members on my left that if they wish to get anything for their constituents they should resign. Then in the ensuing by-elections they will get wonderful promises, but they will have to wait for results.

Before the Prime Minister could become familiar with the plan of campaign of his party managers in Victoria, he sent the following telegram to the Liberal candidate, as it appeared in the Victoria Daily Times of Wednesday, October 31, 1928:

> I am delighted to learn that you have received and accepted the unanimous nomination of the Liberals of Victoria to contest the constituency in the interests of our party in the approaching federal by-election.

That was the only time that the interests of the party were ever mentioned. Presumably the Prime Minister had not yet had an opportunity of consulting his colleagues and did not know the plan of campaign that they had laid down. As I say, that was the only time that "the interests of our party" were mentioned. We were told in Victoria that the issue was local and was being fought by the Liberal party in the interests of our city. But let me proceed with the telegram:

> Your presence in the House of Commons would be of the greatest advantage to the government in every way, but especially in relation to all matters pertaining to the interests of the province of British Columbia.

The Prime Minister has on several occasions lectured the opposition for, as he alleged, preaching sectionalism and dividing east and west. But is it a good thing to favour one province as against the others, as this telegram implies? It might be good tactics at a by-election, but the people of Victoria did not think so; they exercised good judgment. The telegram continues:

> I cannot therefore express too sincerely my hope that in the general interest you may be returned as federal member for Victoria.

During the by-election I had hoped that we would have the presence of the Prime Minister. However, he did not visit us. But perhaps he thought it safer to send telegrams than to lose his political prestige by visiting

us and learning at first sight some of the great needs of the Pacific coast, of which needs some of his federal ministers became convinced while with us. We did not have to wait for those ministers to reach Victoria to promise anything and everything; they started to do so even when they were at Vancouver, eighty miles from us.

Mr. STEVENS: Double-headers.

Mr. PLUNKETT: I am quoting now from the Victoria Times:

Expansion—New Steamer Service for B.C. Shippers. Hon. James Malcolm, federal Minister of Trade, tells delegation in Vancouver announcement coming on new link with Mexico and South America, and that request for subsidized service to Australia will have Ottawa's consideration at once.

That is what I want for British Columbia, this subsidized service. I will refer to it again later on. This is what the hon. Minister of Trade and Commerce said:

"I hope within a few days to make an announcement that will be in line with your wishes in regard to trade from British Columbia ports to Mexico and other southern ports," declared Hon. James Malcolm, federal Minister of Trade and Commerce, to a delegation of lumber men who waited upon him shortly after his arrival in the city this forenoon, and asked a subsidy for shipping to aid the British Columbia lumber market in Australia.

In the course of my address I shall have occasion to refer again to the hon. Minister of Trade and Commerce. Now let me give another quotation respecting what this minister promised to do for Victoria:

On November 26 last at a meeting in the Capitol theatre, Victoria, B.C., in the interests of Dr. MacLean, Liberal candidate, the honourable Minister of Trade and Commerce made this further statement: "British Columbia with its world of resources and its strategic position for world trade, will and must benefit to a greater degree through an aggressive trade policy than any other part of this Dominion, and conversely would suffer more through a restricted trade policy than any other part of the Dominion."

I would ask hon. members to listen to what follows:

In succeeding Dr. Tolmie as your representative at Ottawa, Dr. MacLean will possess the added advantage of supporting the government in power, an advantage so obvious that I do not need to labour it to an intelligent audience.

Mr. GOTT: The old stuff.

Mr. PLUNKETT: The hon. Minister of Finance, speaking with the hon. Minister of Trade and Commerce at the same meeting at Victoria on November 26, said:

You will be helping both Victoria and us if you send Dr. MacLean to Ottawa as Victoria's representative in the Dominion House of Commons. I shall return to Ottawa fully convinced that we have duties and responsibilities towards this part of Canada.

After seven years the Minister of Finance realized that he had some "duties and responsibilities" towards the Pacific coast. The representative from our province in the cabinet, the hon. Minister of Pensions (Mr. King), speaking on November 26 at Victoria, and no doubt feeling rather downhearted and despondent as the campaign progressed, decided to introduce a little sympathy to see if that would help out a lost cause, and so he made this statement:

While I am not complaining of the load, there are many times that it would be of the greatest value if I were supported by a member from British Columbia on the government side.

There are twelve Conservative members on this side of the house from British Columbia, and we will help the government any time if they do something for us. We also had a visit from and entertained the Minister of the Interior (Mr. Stewart) on the eve of the election. But as the minister has had so much trouble of late with the Seven Sisters falls episode, I do not propose to quote his statements. I can, however, assure hon. members that he said many kind things of our city, and we were convinced of his enduring affection for us all.

Now I wish to speak for a moment of the appointment of Doctor MacLean to the farm loan board. I had always understood, and I felt when Doctor MacLean was appointed to the position, that it was the job hunting the man —the old story. What does Doctor MacLean know about farming? Can he tell the difference between a sandy loam and a clay bottom? I question whether he can. But Liberal members are very versatile, and there is no job on earth which they cannot fill. If they lose one job they are equally proficient in another.

I am going to lead up to a question now to show these hon. gentlemen who visited us some of the things they could do for my city on the Pacific coast. In 1927 Victoria citizens, led by the city council, the chamber of commerce and some of the leading business men of the city, decided to start a campaign for industrial development. Too many of the young men and women had been compelled to leave for foreign fields through want of employment. There are four major industries in British Columbia—lumbering, agriculture, fishing and mining. Victoria citizens decided, when considering industrial development, to plan and develop a policy covering these four industries. The grain elevator was built for development of the agricultural interests of the prairies and for home markets;

the cold storage was for the fishing, meat, fruit and agricultural interests; and the British Columbia worsted mills, to help the sheep and wool industry of the province. All these industries were considered mainly as to the question of providing more employment for working people. The result of the citizens' effort was a grain elevator built with a capacity of 1,000,000 bushels and an unloading capacity of 75,000 bushels in eight hours. Towards the cost of this elevator the city of Victoria has guaranteed the company's bonds to a total of $500,000, both as to principal and interest at 5 per cent; and as to the courage of the citizens let me read a telegram as received in Victoria from Sir Henry Thornton of the Canadian National Railways, showing how Victoria took on these financial obligations:

President.
Victoria Chamber of Commerce,
Victoria, B.C.

I have your telegram in regard to elevator situation. It seems to me the whole situation turns on the passage of the by-law. After discussion with financial people here certainly no banking institution would advance any funds unless it were definitely predicated upon the passage of the by-law. If the by-law is passed apparently you will get the elevator. Financial people here immediately say that if the people of Victoria have not sufficient faith in this proposition to pass the proposed by-law certainly they could not expect any outside interest to put up any money and this argument to my mind is unanswerable. I am sorry I have been unable to help you but it does seem to me that it would be a tragedy if the by-law you mention is not passed without further argument or discussion. I hope the electors will take favourable action and you may count upon our doing everything we can to assist in making the elevator a success from a traffic point of view.

H. W. Thornton.

Mr. BRADY: What have they done so far?

Mr. PLUNKETT: I believe there have been three or four boat loads. The elevator was finished in the summer. There is another telegram:

Montreal, June 30/27.

President,
Victoria Chamber of Commerce,
Victoria, B.C.

Delighted to learn that satisfactory financial arrangements have been made with respect to the construction of a grain elevator. The passage of the elevator by-law by the people of Victoria will establish your city as a permanent grain port. We have assured you the application of the Vancouver grain rate to Victoria thus placing Victoria on an equal basis with other Canadian Pacific ports. Will be glad to receive advice from you directly the by-law has been passed so that steps may be taken to provide for necessary facilities for the handling of the grain to Victoria.

Henry W. Thornton.

I have read these telegrams to show the members of this house what the citizens of Victoria took on, and the extent to which they were willing to pledge their money to make the port of Victoria and the whole Pacific coast fit for working people, and in the interests of the Dominion as a whole. It was not a selfish action on their part, for what they build will be in the interest of Canada at large. A coal storage plant to help the fishing and agricultural industries was also built at a cost of about $650,000, and the city guaranteed the company's earnings on $500,000 at 7 per cent for a period of ten years, which amounted to a pledged maximum amount of $35,000 per year. The British Columbia worsted mills was another plant which was endorsed by the city, and the bonds of this company were guaranteed to a total of $125,000, as to principal and interest at 5 per cent. The city also granted to the company the lands upon which the mills were built. With these industries Victoria taxpayers stand pledged to guarantee interest on bonds to the extent of $1,125,000.

Now what was the attitude of this federal government towards this woollen industry? In February, 1928, they removed the 12½ per cent duty on weaving yarns, which meant that 32 employees, mostly women, were thrown out of employment, as since the removal of this duty not a single pound of yarn has been made for the weaving trade, and the machinery for this line is now standing idle and is useless as a paying unit of this plant. This is the policy of this government. The Victoria taxpayers can put their hands into their pockets and pay out anything, and this government by legislation will nullify all their efforts. What a situation this is for the Victoria taxpayers to face when, after assisting in furnishing the capital to build industries for the Dominion, this government, as led by the right hon. the Prime Minister, immediately brings in legislation which ruins such endeavours for progress and prosperity.

I am now going to speak of the lumber business in British Columbia, and I will show that this government have utterly failed to develop the manufactured lumber industry of the Pacific ocean covering the orient, Mexico, South America, Australia and New Zealand. Australia alone uses about 700,000,000 feet of timber a year and receives 350,000,000 feet from Scandinavia, 300,000,000 feet from the United States, and 50,000,000 feet from Canada. As recently as 1921, about the time the present government of this country came into power, Canada supplied Australia with 42 per cent of the lumber which came from

this continent, and last year only 13 per cent was supplied by us; and as our shipments decreased the shipments from the United States have increased. Let there be no misunderstanding. I want the hon. members of this house to know that lumber is not included in the Australian treaty, and if this government were desirous of extending empire trade, why has not a treaty been negotiated with Australia to this end, or an effort made by the government to amend the present treaty so as to include manufactured lumber? A tariff revision was made by the Australian government in 1927. Among other things affected at that time were some items of lumber. Prior to this the Australian tariff board gave the lumber situation careful consideration, and after listening to all phases of the question recommended to their government a revision of the tariff on lumber and lumber products, giving a British and intermediate preference on all items. Unfortunately, this recommendation was not acted upon, but instead tariff changes were adopted with the lower schedules for British preference and with intermediate tariffs eliminated, with the result that lumber products entering Australia from Canada are just where they have always been, on the same basis as the products of the United States or Sweden. American lines of steamships running to Australia and New Zealand are now drawing direct subsidies totalling $1,058,700. I hope that the Minister of Trade and Commerce (Mr. Malcolm) will note this, and will try to keep the promise he made in Vancouver, of subsidizing the vessels on the Pacific coast. The British Columbia lumber industry, as distinct from the pulp and paper industry, consists of over 1,000 firms employing over 28,000 men, with an annual pay-roll of over $34,000,000. There is no industry in the province which is of such great importance to the public, and the lumber mills are also the greatest buyers of machinery and supplies. To-day the United States, under the cloak of mail subsidies, is building up and developing a great export trade in timber and other commodities. If the government of this country withdraw the Canadian National steamships from this service, as was intimated by the Minister of Railways according to Hansard of May 20 last, will the freight rates on the Pacific be lowered? Is it not more likely that American ship owners will raise their rates and that the ultimate result will be the complete extinction of our export trade in lumber and many other lines? Should it not be the duty of this government to meet the subsidized competition of the United States ships by taking immediate action to retain this trade, which is the largest in pay-rolls and money invested of all the industries of British Columbia, Vancouver Island alone having 25 per cent of the merchantable timber of Canada?

Now let us take up a concrete example of the inefficiency and lack of detail of the present government with regard to any action for the benefit or convenience of the people. Consider our currency; for over six years we have had the insufferable nuisance of two one-cent pieces and two five-cent pieces, and whom does this affect the most? It has a direct effect on the poor people of this country, and how much longer is this burden to be placed upon them? I suppose when the ministers are travelling around the country they do not bother with pennies or five-cent pieces, but the poor people have them and have had them now for over six years. I would like to ask the responsible minister why these old coins are not called in.

Mr. ELLIOTT: I would say to my hon. friend that the people will have money of all kinds so long as this government remains in office.

Mr. PLUNKETT: There may be money of all kinds but it is very hard for the people to get their hands on it.

Now-a-days we do not hear very much about the reform of the senate, do we? We used to hear rumours of that in British Columbia and I expected to see all young fellows there.

Mr. GARLAND (Bow River): It is reformed now.

Mr. PLUNKETT: Perhaps so. Surely it cannot be that the Prime Minister, in view of coming events, has thoughts of the red chamber himself; surely not.

Then there is one other matter in which the government have fallen down; they always avoid any talk of the fiscal trade policy of Canada. They do not want that brought up, but I am going to bring it up to-night even though some hon. members never heard of it before. I would like the government, if they believe in the policy of free trade, to inaugurate that policy and make a test of it. The people of Canada are weary of talking about it, and as I look back over the history of the Liberal party in Canada it seems to me like Joseph's coat; it is of many colours in regard to a tariff policy. I remember them talking about free trade, then reciprocity, then commercial union and then restricted reciprocity; they ran short of names and had to start over again, but they never carry their policies into effect. They have lived under

protection and are living under it to-day, snipping off a bit here and there in order to keep hon. members to my left in line but not doing the effective work they should be doing and which the people expect them to do.

There is one other matter I must bring up, but about which I must be very careful; I refer to the position taken by the Prime Minister on every occasion. I wonder if he can be smoked out of his position of splendid isolation or whether he is going to wait for coming events to cast their shadows before, as he has done in the past. I do not know just what position he takes, as a matter of fact; it has become a by-word all over Canada. If I were asked to describe his policy I could do so in four words, "dally, linger and wait." This government dally along the highway of opportunity; they linger as Mr. Micawber did in David Copperfield, in the hope that something will turn up, and they wait as they have done in the past to take advantage of the Conservative party when they initiate and develop a policy for the benefit and progress of this country. If the Liberal party would put in a policy of their own they would not require the services of whips as they have needed them during the last three weeks in this house; their supporters would follow the policy even if they did not follow the leader and there would be more jobs open to the whips.

I had intended to take up two or three other matters having to do with the Pacific coast, but I see that Victoria has been granted $46,000 in the estimates. When I go back I will have to tell my people that I do not know just how I will explain it, because when I left Victoria they were speaking of getting $546,000 according to the promises made them. I will go back and do the best I can; I will have to accept the $46,000.

Mr. SPOTTON: And see that it is expended.

Mr. PLUNKETT: Surely they always spend it.

Mr. SPOTTON: No, they do not.

Mr. ELLIOTT: That is a suggestion for the riding of North Huron.

Mr. PLUNKETT: Now I wish to take up a suggestion which was made by the leader of the opposition and which, to my mind, will do more for the benefit and progress of this Dominion and the empire than any other matter before us to-day. If the United States tariff is raised as I hope it will not be, I believe, as an hon. member said the other day, that there is enough red blood in this nation to resent that action, and then perhaps we will do something in regard to our own tariff. I believe if the suggestion made by my leader were put into effect the United States would be very careful as to what they did in relation to this country; I refer to the suggestion that the Prime Minister should call an economic conference of all the dominions of the British commonwealth of nations, to be held in the city of Ottawa. This suggestion was put forward by the leader of the opposition in his speech on the address, but no notice has been taken of it and I suppose the same "dally, linger and wait' policy will be followed in this connection. As we read the press despatches from the motherland, telling of the search of our king and emperor for a sunny clime where he may restore his worn body after years of care and service to the empire. I feel that rays of sunshine and gladness would enter his soul if the news were brought to him that Canada has said, in Kipling's words:

> Daughter am I in my mother's house
> But mistress in my own—

—and that this same daughter had decided to assume her proper place as the oldest of the self-governing dominions and take the lead in settling the economic problems of this great empire. I believe the king would welcome this suggestion and perhaps Britain's greatest ambassador, the Prince of Wales, who has visited every British dominion, might be sent by the king to open such a conference. Has the Prime Minister of this Dominion the courage and vision to grasp this opportunity?

On motion of Mr. Ladner the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.50 p.m.

Wednesday, March 13, 1929

The house met at three o'clock.

REPORTS OF COMMITTEES

Fourth report of the select standing committee on banking and commerce.—Mr. Hay.

Second report of the special committee to amend and consolidate the Opium and Narcotic Drug Act.—Mr. Howden.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

LOWER DETROIT RIVER CONTRACTS

Mr. GOTT:

1. Who has the contract for lights and buoys in the lower Detroit river?
2. What is the contract price?

3. When was last contract made and for how long?
4. Was last contract made by tender?
5. If so, who tendered and what were their tenders?
6. What did it cost and who was the contractor in the years 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, and 1928?
7. What is the policy of the department in re-letting this contract?
8. Are there incidentals or allowances of any kind in addition to contract price? If so, what were they during the years mentioned?
9. How many lights, buoys, etc., are involved in the contract?
10. Are there any special regulations to be fulfilled in this particular area?
11. How many miles does contract cover: (a) in lake Erie from mouth of lake, and (b) in river from mouth of lake?
12. Has the contract always been let by tender in the foregoing years? If not, why?

Mr. CARDIN:

1. C. R. Hackett.
2. $9,375 per annum.
3. February 16, 1926. Three years from April 1, 1926.
4. No.
5. See answer to 4.

6. Year	Cost	Contractor
1920	$8,291 25	C. R. Hackett
1921	8,962 50	C. R. Hackett
1922	9,075 00	C. R. Hackett
1923	9,075 00	C. R. Hackett
1924	9,375 00	C. R. Hackett
1925	9,375 00	C. R. Hackett
1926	9,375 00	C. R. Hackett
1927	9,375 00	C. R. Hackett
*1928	9,375 00	C. R. Hackett

*In 1928 $140.79 was paid for the maintenance of 6 temporary spars, this being the contract rate.

7. The department recommends the renewal of the present contract.
8. No.
9. 17 gas buoys; 8 lighted spar buoys; 20 spar buoys with float lights; 26 unlighted spar buoys; 4 barrel buoys, and 10 winter spar buoys, numbering in all 85 buoys.
10. None as arising under the provisions of this contract.
11. (a) 38 miles; (b) 14 miles.
12. No. The price for the several classes of buoys were established by tender, and the contract renewed at those prices. The recommendation for the renewal of the contract was based on the satisfactory manner in which the work was performed and on the fairness of the price charged.

QUEBEC CITADEL EXPENDITURES

Mr. SPENCER:

1. What has been the cost of repairs and alterations to the Citadel at Quebec?

[Mr. Gott.]

2. What furnishings, fixtures and other purchases were made for the Citadel at Quebec during 1928?

Mr. ELLIOTT:

1. $174,432.62 from April 1, 1927, to February 28, 1929.
2. $56,746.29.

IMMIGRATION FROM GREAT BRITAIN

Mr. KELLNER:

1. What contracts or agreements or undertakings at present exist for bringing immigrants into Canada, between the federal government or any department thereof, and the imperial government or any other government, concern, association, company, individual or individuals?
2. What inducements are offered to these immigrants, in the way of, (a) reduced transportation charges, (b) assistance to agriculturists, (c) protection against unemployment or any other considerations?

Mr. FORKE:

1. (a) Empire settlement passage agreement which provides passage assistance to certain classes of immigrants; (b) 3,000 family settlement scheme; New Brunswick land settlement scheme, Nova Scotia land settlement scheme; boys' land settlement scheme and provincial reception and distributing farms scheme; (c) Railways agreement. All of the above mentioned schemes, except the railways agreement, relate solely to British immigrants.

2. (a) Agricultural families receive the following assistance: Those over 19 years of age are given third class ocean rate of £2 with corresponding reduced rail rate to destination in Canada. Children under 19 years of age belonging to agricultural families receive free transportation. British houseworkers receive the same passage assistance as adults belonging to the agricultural families. Juvenile immigrants coming to Canada under a provincial-federal scheme or under the auspices of an approved society receive free passage. The minimum and maximum age is fixed for juvenile boy immigrants as 14 to 19 years and of girls as 14 to 17 years. The wife and children under 17 years joining the head of a family settled in Canada prior to June 6, 1928, are given transportation assistance as follows: the wife, £3 third class ocean rate; children under 17 receive free transportation.

The above passage assistance is applicable only to British subjects ordinarily resident in Great Britain and northern Ireland.

(b) British families settled under the 3,000 family scheme, or the New Brunswick or Nova Scotia land settlement schemes, receive directional care and oversight. Funds to supply the families with stock and equipment

are furnished by the British government but expended under the direction of the land settlement branch of the Department of Immigration and Colonization. Agriculturists are assisted in finding suitable employment on the land.

(c) Agriculturists and houseworkers being the classes whose immigration is much desired are placed in employment by the department on arrival, and should they later be out of employment, new places are found for them.

NAVIGATION AND WATER-POWERS REFERENCE—COUNSEL FEES

Mr. WHITE (London):

1. What are the names of the counsel who represented the Dominion government before the supreme court in 1928, relative to the reference concerning ownership of water-powers and other matters?
2. What amount did each receive for his services?
3. What was the total cost of the reference to the Dominion?

Mr. CANNON:

1. Hon. N. W. Rowell, K.C.; H. J. Symington, K.C.; Chas. Laurendeau, K.C.; Chas. P. Plaxton, K.C.; Vincent C. MacDonald.
2. H. J. Symington, payment on account, $3,925.54; Vincent C. MacDonald, $9,221; Hon. N. W. Rowell, no payment yet; Chas. Laurendeau. no payment yet.
3. Total cost to March 9, 1929, $26,074.46.

STEEL FROM BLACK SAND

Mr. BRADY:

1. Will the government inform the house as to whether or not British and American financial interests representing $500,000,000 have approached the Dominion government regarding erection of two electric plants, one on Vancouver island, the other at St. John, New Brunswick, for the manufacture of steel from black sand, which is available in large quantities on Vancouver island, Queen Charlotte islands, and in the region of the St. Lawrence river along the Atlantic coast?
2. Did John W. Houldsworth, managing director of Iron Ore Process, Limited, of London, England, representing the above Anglo-American interests, interview the Dominion government or any member thereof to obtain Dominion government's co-operation in establishing proposed industries?

Mr. STEWART (Edmonton):

1. The Dominion government has not been approached.
2. No.

OLD BRIDGEPORT, N.S., POSTMASTERSHIP

Mr. MacDONALD (Cape Breton South):

1. Who is the present postmaster at Old Bridgeport, Cape Breton?
2. When was such appointment made?
3. How many applicants were there for the position?
4. Were any of such applicants returned soldiers?
5. Is the person who was appointed a returned soldier?

Mr. VENIOT:

1. Miss M. Stephenson—acting postmaster. Competition for postmastership under way.
2. No definite appointment made. Miss Stephenson took charge on death of her father who was acting postmaster.
3. Four.
4. Yes—two.
5. Permanent appointment not made yet.

HAMILTON TAXATION DISTRICT COLLECTIONS

Mr. RENNIE:

1. What was the total revenue derived from the collection of federal income tax in the city of Hamilton for the fiscal year 1927-28?
2. What was the total revenue derived from the collection of sales tax in the city of Hamilton for the fiscal year 1927-28?
3. What was the total revenue from the collection of income tax from corporations in the city of Hamilton during the fiscal year 1927-28?
4. What was the total revenue from customs collections in the city of Hamilton during the fiscal year 1927-28?
5. What was the total revenue from excise taxes collected in the city of Hamilton during the fiscal year 1927-28?

Mr. EULER:

1. Statistics are not maintained in such a manner as will yield the revenue collected from any given city in Canada. The Hamilton taxation district comprising the counties of Wentworth, Haldimand, Wellington, Lincoln, Norfolk, Waterloo, Welland, Brant and Halton for the fiscal year ended March 31, 1928, collected $3,944,635.37.
2. $3,490,593.70.
3. In fiscal year ended March 31, 1928, the Hamilton taxation district collected from corporations $2,669,272.46.
4. $4,194,037.31.
5. $3,477,119.62.

HAMILTON POST OFFICE REVENUE

Mr. RENNIE:

What was the total revenue of the post office in Hamilton, Ontario, during the fiscal year 1927-28?

Mr. VENIOT: $570.158.86.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SOCIAL LEGISLATION

Mr. CHURCH:

In view of the validity of certain acts relating to social legislation being questioned,

such as the Old Age Pension Act: (a) by the Quebec government and their counsel in the Quebec legislature; (b) also the same question being raised in the international and industrial relations committee of this house,—

Will the government, in order to afford a solution of these questions, consider the policy of securing a definite decision under the statutes in that behalf from the Supreme Court of Canada on a reference of the following questions dealing with social legislation and reported on by the industrial relations committee to the house in sessions 1924-28: (a) old age pensions and the right of the federal authority to vote funds under section of British North America Act 1867, relating to public debt and property; (b) unemployment; (c) sickness and unemployment insurance; (d) family allowances; (e) radio; (f) hospitals and aid towards relief of disease?

RECOVERY OF UNPAID DUTIES AND TAXES

Mr. MAYBEE:

1. Having reference to the report of the special committee investigating the Customs department, 1926, and of the report of the royal commission investigating the Customs department, 1926 and 1927, how many actions have been taken or claims made to date: (a) through the courts; (b) through the ordinary channels of the department, against persons or corporations for the recovery of customs duties, excise duties, sales tax or other amounts claimed by the department to be due and unpaid?

2. What is the total amount, if any, which has been recovered during the years 1926, 1927, and 1928?

3. What amount is still being claimed by the department against persons or corporations and remaining unpaid?

CIVIL SERVICE—EMPLOYEES OVER SEVENTY YEARS OF AGE

Mr. PARENT:

1. Are there any persons who have passed the age of seventy years and who are still employees of the government?

2. If so, what are their names and what situation does each occupy?

TRANSLATION OF GOVERNMENT PUBLICATIONS

Mr. PARENT:

1. Has the publication of pamphlet entitled "Division of Botany", by H. T. Güssow, been translated into the French language and printed for distribution?

2. If so, when?

3. If not, why?

4. How many publications in pamphlet forms have been published since 1927 in the English language only, giving: (a) the date of each publication and the department responsible for same; (b) the authority of parliament authorizing such publication?

EGG STATISTICS

Mr. LADNER:

1. What was the total production of hens' eggs, by the dozen, in Canada, during the calendar years 1927 and 1928?

2. What was the production of hens' eggs, by provinces, during each of the calendar years 1927 and 1928?

3. How many dozen of hens' eggs were imported into Canada during each of the calendar years 1927 and 1928, and what quantity from each country?

4. What were the imports of frozen or canned eggs into Canada during each of the calendar years 1927 and 1928, and what quantity from each country?

5. What were the exports of hens' eggs, by dozens, during each of the calendar years 1927 and 1928, showing: (a) the countries of destination; (b) the province of export?

6. Is it the intention of the government to apply a special seasonable duty or make a special valuation for duty purposes?

7. Is the government aware of any intention or proposal on the part of the United States to raise the duty on hens' eggs entering that country?

8. If so, is it the intention of the government to alter our duties?

PERMANENT MILITIA FORCE

Mr. ROSS (Kingston):

1. How many men have been enlisted in each of the permanent units of the Canadian forces and discharged before termination of agreement during the years 1927 and 1928?

2. What were the causes for such termination of agreement?

3. Were any allowances granted for such termination of agreement?

Mr. RALSTON: Return tabled herewith:

1. In 1927, 483; in 1928, 560.

2. As shown on attached statement.

3. The regulations do not provide for any such allowance.

Discharges—Permanent Force, 1927

Cause of Discharge.	Unit														
K.R. (Can) 1926 Para. 386	RCD.	LSH.	RCA.	RCE.	RCS.	RCR.	PPCLI.	R. 22e R.	RCASC.	RCAMC.	RCOC.	RCAVC.	RCAPC.	CMSC.	Total
(i) Not finally approved	.....	7	4	3	.....	.....	9	.....	.....	.....	2	.....	.....	.....	25
(ii) Irregularly enlisted	.....	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	1
(iii) False answer on Attestation	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	1
(iv)b Under age	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	1
(v)a Mis-statement as to marriage	.....	1	.....	.....	.....	3	2	.....	.....	.....	.....	.....	.....	.....	6
(vi)a Rejected by Medical Officer and O.C. Unit	.....	.....	2	.....	.....	.....	1	.....	1	.....	.....	.....	.....	.....	4
(vi)c Unfit within three months of enlistment	1	5	2	.....	4	1	6	3	8	2	1	.....	.....	.....	33
(vi)d Recruits undergone Course of Training and found unfit	1	4	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7
(vi)e Recruits unfitted for an Instructional Corps	5	.....	6	.....	.....	14	1	.....	1	.....	1	.....	.....	.....	28
(vii) Claimed discharge by purchase within three months	.....	.....	4	.....	3	1	.....	.....	2	1	1	.....	.....	.....	12
(viii) By purchase after three months	21	34	56	5	5	41	23	24	20	6	10	.....	.....	.....	245
(ix) Claimed discharge under Militia Pension Act	1	.....	6	.....	.....	2	.....	.....	1	.....	1	.....	.....	.....	11
(xi) Upon conviction by Civil Power	1	.....	4	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	6
(xii) Misconduct	3	3	5	2	.....	1	2	1	.....	1	1	.....	.....	.....	19
(xiii) Discharge with ignominy	.....	.....	1	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	2
(xiv)a Permanently unfit for Military Service	5	5	3	1	.....	14	1	2	3	1	1	.....	.....	.....	36
(xiv)b Unfit for Military Service under existing Standards	1	2	4	.....	.....	1	2	1	.....	.....	.....	.....	.....	.....	11
(xvi) Services no longer required	10	1	8	1	2	8	1	1	3	.....	1	.....	.....	.....	36
(xvii) Having become unfit for special duties	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
Total	50	62	106	13	14	89	48	30	41	11	19	.....	.....	.....	483

Discharges—Permanent Force, 1928

Cause of Discharge. K.R. (Can) 1926 Para. 386	Unit RCD.	LSH.	RCA.	RCE.	RCS.	RCR.	PPCLI.	R. 22e R.	RCASC.	RCAMC.	RCOC.	RCAVC.	RCAPC.	CMSC.	Total
(i) Not finally approved	2	9	10	9	2	17	20	3	3	4	1	.....	.....	.....	80
(iii) False answer on Attestation	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
(v)a Mis-statement as to marriage	.....	.....	1	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	2
(v)b Incorrect information re dependent children	.....	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	1
(vi)a Rejected by Medical Officer and O.C. Unit	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
(vi)c Unfit within three months of enlistment	1	2	2	.....	.....	.....	2	4	4	.....	2	.....	.....	.....	17
(vi)d Recruits undergone Course of Training and found unfit	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
(vi)e Recruits unfitted for an Instructional Corps	3	.....	3	.....	.....	7	.....	.....	3	2	1	.....	.....	.....	19
(vii) Claimed discharge by purchase within three months	5	1	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	7
(viii) By purchase after three months	17	28	56	12	13	25	33	9	12	6	6	1	.....	1	219
(ix) Claimed discharge under Militia Pension Act	1	.....	3	.....	.....	2	.....	.....	1	1	.....	.....	1	.....	9
(xi) Upon conviction by Civil Power	.....	2	3	.....	.....	.....	.....	1	1	.....	.....	.....	.....	.....	7
(xii) Misconduct	.....	2	6	3	.....	3	2	1	2	.....	.....	.....	.....	.....	19
(xiii) Discharge with ignominy	.....	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
(xiv)a Permanently unfit for Military Service	4	2	6	1	2	6	2	4	.....	.....	2	.....	.....	2	31
(xiv)b Unfit for Military Service under existing Standards	.....	1	4	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	6
(xvi) Services no longer required	4	16	21	13	4	35	8	15	19	2	.....	.....	.....	.....	137
Total	39	65	117	38	21	97	68	37	46	15	12	1	1	3	560

UNOPPOSED MOTIONS FOR PAPERS

DISMISSAL OF GORDON WILKIE

Mr. JOHNSTONE (Cape Breton North-Victoria):

For a copy of all correspondence, telegrams, letters, report of investigation and evidence taken, in connection with the dismissal of Gordon Wilkie from patrol boat No. 4, North Sydney.

BRITISH COLUMBIA PUBLIC TERMINAL ELEVATOR TARIFFS

Mr. EVANS:

For a copy of the evidence taken at the meeting held by the Board of Grain Commissioners in Vancouver last August, in connection with public terminal elevator tariffs in British Columbia.

CIVIL SERVICE SALARIES

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): I should like to draw to the attention of Your Honour and the government question No. 12 which, it has been asked, should stand as an order for return. I submit, with all due deference to the Minister of Labour, that this is not a question properly calculated to be answered by a return. The answers are all very short and simple. I am not asking for a list of names or anything of that kind; I want simply the number. I should like to urge the government that the question should be answered in due course. I am not seeking to inconvenience the minister, but it does not seem to me a question to be answered by a return.

Hon. PETER HEENAN (Minister of Labour): The mistake is mine. I meant that question No. 8 should stand as an order for return. Question No. 12 will be answered.

Mr. STEVENS: I would ask that the record of the clerk be corrected accordingly.

PRIVILEGE—MR. BOYS

On the orders of the day:

Mr. W. A. BOYS (North Simcoe): On a question of privilege I would like to refer to an editorial which appeared in the Vancouver Daily Sun under date of March 4. My comments are somewhat belated, but I received this in the mail only yesterday from a friend. The editorial which is headed "Patronage Gone Mad" is in part as follows:

The announcement by the Tolmie government of British Columbia that W. A. Boys, K.C., former Conservative whip, has been appointed to assist Leon J. Ladner, K.C., in handling British Columbia's freight rate problem, comes as a shock, and would appear to be an admission that the government fears that Mr. Ladner, on account of his inexperience in such matters may not be able to properly handle the case alone. Just why the government of British Columbia should have to go outside of this province and go to the east to get a lawyer to represent it in the all-important matter of freight rates, is a question which every business man in Vancouver should ask himself.

Then follow two or three other paragraphs which I need not read, but I will read the last one:

The government has now not only appointed Leon J. Ladner, K.C., of British Columbia, to represent it, but has also appointed W. A. Boys, K.C., of Ontario. Surely this is patronage gone mad.

I regret that no such honour has come to me. I have not been retained in any capacity whatsoever by the British Columbia government in connection with freight rates or anything else. I took the trouble to make inquiry as to the basis of this editorial, and I found that the services of Mr. A. C. Boyce, until recently a member of the Dominion railway commission, have been secured. Instead of the Vancouver Daily Sun criticizing this as "patronage gone mad," I think the government of Doctor Tolmie should be congratulated upon securing the services of such an eminent and able counsel as Mr. A. C. Boyce.

I would ask the representative of the Vancouver Daily Sun in the press gallery to make the necessary correction, and also to see that it receives, at all events, as much publicity as the editorial complained of.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): There is a motion on the order paper under my name reading as follows:

That when the house adjourns on Friday, the 22nd of March, instant, it stand adjourned until Tuesday, the 2nd of April, next.

Since that notice appeared, I have been advised that in some parts of the house preference has been expressed for an adjournment from Wednesday, the 27th of March, until Monday, the 8th April, instead of the period within the dates previously suggested.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: What I was about to suggest, Mr. Speaker, is that instead of pressing the motion at the moment the whips of the different parties should get to-

gether this afternoon and, if possible, take some sort of a census. The government will be pleased to abide by the wishes of the house as a whole.

Mr. BENNETT: It stands in the meantime.

Mr. MACKENZIE KING: Yes.

MOTOR AND PLEASURE BOATS

On the orders of the day:

Mr. PETER McGIBBON (Muskoka): I would like to ask the Prime Minister (Mr. Mackenzie King) a question. I am not finding fault with the Prime Minister's answer of yesterday, because I realize that he cannot be posted on everything. But I have in my hand an order in council that was passed imposing a tax on all canoes and motor boats in the Muskoka lakes, a thing that is very much resented by the people in that district. I would ask the Prime Minister if he would be good enough to rescind it. It was asked for by people from outside Muskoka, tourists. The request did not come from the people of the district.

Mr. DUFF: It is a license fee.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps my hon. friend (Mr. McGibbon) will let me see the order in council he has reference to. I think possibly my hon. friend is using a word that is not appropriate under the circumstances. It is suggested that it is a fee that may be imposed under a regulation. It is not an order in council imposing a tax. I will guarantee him that.

IMMIGRATION OF MINER-HARVESTERS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): According to the press, Mr. Speaker, arrangements have been made for the bringing in of more miner-harvesters from Great Britain, but apparently there is no provision for them being sent back in case of their not being able to retain positions. May I ask, in that event, who is to be responsible for their keep?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I will try, Mr. Speaker, to allay the hon. member's fears, if I possibly can. There is a despatch in this morning's paper, unauthorized by myself—I have no idea how it leaked out. It is partly true, but it does not give the proper explanation of what has taken place. I can assure the hon. gentleman (Mr. Woodsworth), however, that every precaution will be taken that anyone who is brought over here from Great Britain under any scheme of the department will be taken care of by the department.

Mr. ADSHEAD: What is the precaution?

Mr. FORKE: That can be gone into at a later date. This is not the proper time to make an explanation of that kind.

HOUSE OF COMMONS ELEVATOR SERVICE

On the orders of the day:

Mr. THOMAS CANTLEY (Pictou): I understand, Mr. Speaker, that you are the protector of the rights and privileges of the members of this house. I call your attention to the fact that since the opening of the present session the elevators on the east corridor have not been operating either on Saturday or Sunday, or on any holidays we have had in the meantime. Unfortunately for the members from the eastern provinces also those from the province of British Columbia and other western provinces, we are forced to remain here over the week-end. Hon. members from Ontario and Quebec are able to go home over the week-end. Some of us endeavour to catch up with our correspondence on Saturday. You are aware, sir, that the room occupied by the stenographers is immediately adjoining one of the elevators that I refer to. As I say, during the present session, those elevators have not been operated on Saturday or Sunday, and I strongly protest against it. I appeal to you, sir, to see that they are operated for the remainder of the session.

Mr. SPEAKER: I have nothing to do with the elevators. They come under the immediate control of the Minister of Public Works (Mr. Elliott). I have called his attention to this matter. As he is in his seat he might perhaps explain to the hon. member the reason why those elevators are not running on Saturdays and Sundays.

Hon. J. C. ELLIOTT (Minister of Public Works): I might say, Mr. Speaker, that there is a desire in the Department of Public Works to observe the Sabbath day as far as possible. A certain number of elevators are kept going both on Saturday and Sunday, a number that was thought to be sufficient to supply the needs of the hon. members who were working on those days. I understand that such has been the case and that there is always an elevator available by just going round the corner from the elevator that is referred to by

my hon. friend. However, if it is found that anybody is suffering inconvenience on account of inadequate elevator facilities, either going up or going down, we will endeavour to rectify it.

Mr. CANTLEY: I know exactly what elevators are operating, Mr. Speaker, and I know what elevators are not available. I expect that the members of this house will be able to obtain the facilities they formerly had. It is something new to find this government talking economy in matters of this kind.

UNEMPLOYMENT IN CITIES

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): May I ask the Prime Minister (Mr. Mackenzie King) whether the government has any plan for providing useful employment to the great number of unemployed in the large cities of Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Up to the present, Mr. Speaker, the government has not given consideration to the matter to which my hon. friend refers.

THE BUDGET

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

The house resumed from Tuesday, March 12, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment thereto of Hon. Hugh Guthrie.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, I desire first to pay a tribute to the Minister of Finance (Mr. Robb) for his able, concise and clear budget statement. I desire also to pay a tribute to the hon. member for South Wellington (Mr. Guthrie) for his masterly review of the budget and for the manner in which he pointed out the fallacies and analysed the consequences of the minister's proposals.

Before entering upon the main theme of my remarks this afternoon, I wish to say a few words in connection with old age pensions. Hon. members will recall how in 1925 and 1926 the King government made a very strong appeal to the people of Canada to support their proposals with respect to old age pensions. They took the opportunity to claim full credit for having introduced that legislation. But having been elected to power, we now see certain doubts cast on the constitutionality of the Old Age Pensions Act, and those who are raising such doubts appear to have the sympathy of the Liberal government as well as of other Liberal forces throughout the Dominion. We have lately read in the press a statement by the Premier of Quebec that he had obtained the opinion of three eminent counsel to the effect that the old age pensions legislation is unconstitutional, and that the Dominion government has no authority to make contributions to the provinces for that purpose. At the time, sir, I did not pay any special attention to Mr. Taschereau's observation. We know that the province of Ontario is about to adopt the old age pension scheme. British Columbia, Saskatchewan and Manitoba have already adopted it.

But something still more significant was the attitude of the Prime Minister (Mr. Mackenzie King) a few days ago when we were discussing the question of federal grants to the provinces for highway construction. Referring to that system of federal assistance to the provincial governments, the Prime Minister stated:

> It is a bad system, a thoroughly vicious system, and that is the reason why the present administration has been seeking to put an end to a system that grew up at a time when the country was in the throes of war or had to meet a post war situation.

I asked the Prime Minister:

> What about old age pensions?

He replied:

> I am glad my hon. friend speaks of that. There is another case where we are giving to the provinces a lot of money in addition to what they are raising.
>
> Mr. Ladner: Is that vicious?
>
> Mr. Mackenzie King: I think it is, yes; I have come to the conclusion that it is a thoroughly vicious principle.
>
> Mr. Ladner: Why doesn't the government provide for old age pensions itself instead of shifting it to the provinces?
>
> Mr. Mackenzie King: It is the province's obligation, and so far as this government is concerned we have sought to safeguard the public treasury to the extent at least of one half of the required expenditure whereas hon. gentlemen opposite claimed they were prepared to duplicate what we are doing by assuming the entire obligation. What has been already paid in old age pensions in the province from which my hon. friend comes? We have given to the province of British Columbia $423,105.84; to the province of Manitoba $122,332.42; and to the province of Saskatchewan $76,417.62; or a total to these three provinces, thus far, of $621,855.88.

And the Prime Minister proceeded to state that hon. members would live to see the day when the annual payment will be something like twelve million dollars, which I think is

an extravagant guess. What struck me as being very significant was the fact that in the midst of a debate on federal aid to the provinces for the construction of highways the Prime Minister should happen to have lying on his desk detailed information with respect to the contribution by the Dominion government to the provinces in respect to old age pensions, a subject that has very little relationship to highways. I refer to this, Mr. Speaker, because to some of us it is a question of far-reaching importance to this country. The old age pensions system in my judgment is sound from an economic point of view. It is not only a humanitarian act to alleviate the distress of our old folks in their closing days, but it is the just and right thing to do in the best interests of the Dominion. If it is the fact, Mr. Speaker, to me it is inconceivable that this government and the Liberal forces throughout Canada should be parties to a scheme to submarine their old age pension legislation after it has served their purpose before the electorate. It seems to me that the suggestion to test the constitutionality of the Old Age Pensions Act by a reference to the supreme court is an indirect method of destroying the effectiveness of the legislation, resorted to by certain forces in the Liberal party that do not approve of old age pensions and would like to shift the whole burden upon the provinces.

Now, Mr. Speaker, I wish to direct the attention of the house to certain phases of the budget and to the fiscal policy of the government. The financial picture as disclosed by the Minister of Finance reveals, briefly, that we have this year a revenue of approximately $455,000,000, and expenditure of $385,000,000, and that this expenditure is $22,000,000 more than the expenditure last year. There is a surplus of approximately $70,000,000. The deadweight debt as of March 31 this year is $2,330,835,000. Our funded and bonded debt has increased by $28,000,000. But, sir, it is a source of pride that 71 per cent of the funded debt is held by the people of this country.

I wish to commend to the government the suggestion of my leader (Mr. Bennett), which suggestion was repeated the other day by the hon. member for South Wellington, with regard to adopting a policy for the reduction and ultimate extinction of the national debt. That suggestion was a sound constructive one. My leader pointed out that by providing a fund of $15,000,000 per annum with interest at four per cent, the debt would be extinguished in a period of fifty years. The hon. member for South Wellington also recalled to our minds that notwithstanding the method in which the budget was presented to the house, during the five years prior to 1922, under the Conservative government, the average surpluses were $66,700,000 per year, while under the present government, which has enjoyed the advantage of prosperous conditions, those surpluses were $69,700,000 a year, or a difference of only $3,000,000. I repeat those figures because I think it is well for hon. members to keep them in mind.

The fiscal policy of this government is a very indefinite one. I suggest, Mr. Speaker, that our fiscal policy must be judged by its results on the masses of the people and upon the economic prosperity of the country. Throughout the world we are witnessing great economic prosperity—in North America, in South America, and in the European countries. When we analyze the returns in the report of the Minister of Labour we find this astounding situation, that due to our low tariff our working men are at the mercy of the cheap labour of foreign countries, and that comparing 1928 with the preceding years back to 1922, the average wages paid have decreased in all lines of industry; but while the wages have decreased the cost of living, based upon the family budget of twenty-nine staple articles, has gone up from five to ten per cent. So far as the manufacturers are concerned, raw or partly manufactured materials have advanced since 1922 between 7 and 10 per cent. But while the cost of raw material has gone up, the price of the manufactured articles as sold by the manufacturer has gone down. This report given by the Minister of Labour (Mr. Heenan) discloses that the manufactured articles have decreased in price about 9 per cent. So that the industries in our country are placed between the millstones of an increase in the cost of raw materials and a decrease in the selling price of the product. In other words, the fiscal policy of this government is destroying our industrial life while it is not assisting agriculture. On page 7 of the minister's report it will be seen that carpenters, electrical workers, plasters, sheet metal workers, stone cutters, boiler makers and machinists have had no advance in wages during the six years of Liberal rule, although the cost of living has gone up from 5 to 10 per cent. That summary, with the authenticity of the data upon which it is based, should effectively dispose of the attitude of the government, that the best interests of this country will be served by a lower and ever lower tariff until the free trade stage is reached

In his budget speech the Minister of Finance (Mr. Robb) states very specifically, at page 595 of Hansard:

> The policy of this administration is not a high tariff policy; it is a low tariff policy.

In contrast with this we have the policy of the Conservative party, strongly held to and enunciated again in the amendment to this budget, that we believe in safeguarding and protecting our agricultural and industrial life. The positions of these two great parties are in striking contrast; and their relationship to each other and to the welfare of the country is brought forcibly to our attention by the attitude of the United States with respect to that country's tariff proposals, with which it is intended to deal at the special session of congress in April. I, for one, am of the opinion that we should deal with this matter in a spirit of good will, in a spirit of respect, in a spirit of tolerance, knowing that the question of the tariff in the United States is one of their own concern; it is their business. But in so far as it relates to their export trade, in so far as it relates to the $850,000,000, mostly of manufactured goods, which Canada purchases from the United States, then we in turn should give some attention to our own situation and our own welfare. I direct the attention of the house to some significant words of President Hoover spoken during his good will tour through the South American republics. Speaking in the republic of San Salvador he said:

> Our international and economic relations can have but one real foundation: They can grow only out of the prosperity of each of us. They cannot flourish in the poverty or degeneration of any of us. Our economic progress is mutual: It is not competitive.

These are splendid words, but when we read the remarks of the leaders of the party in congress we learn their real intent. Not that I complain about it, but it is a fact of which we should be possessed. Mr. Wallace Hawley, chairman of the ways and means committee of the United States, as reported in the local press, stated the situation in congress in rather significant words. Addressing a meeting in Boston on Saturday last, he said:

> The protective tariff is a domestic question. Foreign interests have no inherent right to trade in our markets. The admission of imports is an act of comity between nations, and we have the right to prescribe the conditions of which they shall enter our market.

I cannot see that the people of this country can have any complaint against that stand, but I can see where the government of this country can take notice of it and shape this country's course in a manner that will serve the best interests of the people of Canada. The United States has in the neighbourhood of $3,300,000,000 invested in this country while Great Britain has $2,200,000,000. We have important business with the United States and we want to keep their good will. Big business can be done with our friends to the south, and we hope it will be done. But it is folly in the extreme for them to exclude, if they intend to do so, the comparatively small quantity of goods, mostly raw materials, which we are sending to the United States and expect us to buy nearly a billion dollars' worth of goods from them a year. If they expect that, they are expecting too much and they should not be disappointed if we endeavour to trade in some other portions of the world.

The people of Canada have too much pride to approach this problem in the spirit of a mendicant or of a dependent; we must have courage, self-reliance and confidence in our nation as well as in our people. Now the question presents itself: just what should we do? I propose to offer a suggestion, which is somewhat different from some of the suggestions that have already been submitted to parliament. The government's course is a negative one; they have been drifting for years. The Liberal tariff airship has been gradually floating southward. This is not good for this country. If I were the leader of this government I would ask parliament, in the face of this impending crisis, to give authority to my government to make such variation in the tariff as might be in the interests of Canada, having regard to the action which the United States will take in April next. Then, sir, the day on which that action became effective under the laws of the United States, tariff adjustments based upon the safeguarding and protecting of our agricultural and industrial interests should likewise be made effective in Canada. I submit that if we wait until next session, or until a special session of parliament is called, irreparable damage will have been done to the agricultural and industrial life of this country, and more particularly to the great masses of our people who depend upon their wages for their living. But it is very unlikely that the King government will take this course. They have never shown any real courage and backbone in handling either the tariff question or any other problem in relation to the United States, and in my judgment Canada would gain the admiration and respect of the people of the United States if we displayed a little more courage and confidence in our own country and looked after our own interests to the advantage of our own people.

The tariff question is something which is discussed annually in parliament; it has been discussed for years. Read speeches delivered in the past; read budget debates as far back as you like to go, and you will find that there have been always two schools of thought on the question. In the past we have had an actual experiment to show the effect upon the people of this country of the increase of our tariff. There is a fallacy, shared to a large extent by members of the government and by some of our Progressive friends from the prairies, that an increase in duties necessarily involves an increase in price. That is an economic fallacy. I would commend to hon. members a study of the budget speech delivered by Sir Leonard Tilley in 1882. A very exhaustive and careful inquiry had been made of the consequences and the effects of the national policy of 1878, and Sir Leonard Tilley uttered the following words, to which I will ask hon. members to pay particular attention, inasmuch as they apply with equal force to-day and no doubt are frequently quoted:

What our manufacturers say is "We can manufacture as cheaply here as in the United States, but we want the market. We are prepared for the sharpest competition, and we do not fear our friends on the other side of the line, if we have the home market, and competition among ourselves will keep the prices down to the consumer."

The basis and accuracy of the inquiry is evidenced in these words of Tilley:

I wish reliable data, not data that could be shaken by any statement of fact that could be produced in the house, because we want nothing but the facts, and if the manufacturers are getting larger profits, it would be just as well that we should know of it, and deal with the facts as we found them.

Then he quotes a number of articles showing the variations in prices as a result of the increase in duty. I have copied them from the budget speech of 1882, and with the permission of the house I would ask that this short table be placed on Hansard:

Article	Variation in price
Etoffes, Tweeds, Fabrics	Average price lower than during previous 10 years.
Grey and white cotton and brown sheetings	10 per cent lower.
Medium and fine woollen fabrics	Lower than any time in history.
Woollen goods	Average price lower than for 10 years prior to 1878.
Flannels, Blankets	As low as any period in 10 years.
Coarse woollen caps and felt hats	Lower.
Underclothing	Lower.
Wagons	Lower (from $62 to $60).
Carriages	Lower (from $105 to $100).
Covered buggies	Lower (from $160 to $150).
Ploughs	15 per cent lower.
All agricultural implements	5 per cent to 20 per cent lower.
Organs	15 per cent lower.
Sewing machines (with business trebled)	$10 each cheaper.
Boots and shoes and leather goods, hand made	15 per cent higher.
Boots and shoes and leather goods, factory made	10 per cent to 25 per cent less.
Furniture, best class	Higher.
Furniture, ordinary class	Lower.
Stoves	A little higher.
Iron castings	9 per cent higher (equivalent to increased cost of pig iron and labour).
Tools and files	Cheaper.
Cut nails	5 per cent lower.
Finished nails	9 per cent lower.
Pressed spikes	12 per cent lower.
Railway spikes	$2 per ton lower.
Nuts and bolts	Cheaper.
Horse shoes	8 per cent higher.
Tea	5 cents to 6 cents per pound cheaper.
Sugar	50 cents per 100 pounds cheaper.
Molasses	10 per cent cheaper.
Rice	10 per cent cheaper.
Spices	Duty and price unchanged.
Soap	12 per cent higher, owing to increase in raw material entering duty free.

The effect of the increase in the tariff duties was this: There was an actual reduction in the cost of living of from 5 per cent to 10 per cent on the articles named. I say, Mr. Speaker, that this was an experiment; the conditions of 1878 were not the conditions

of 1928, but generally speaking the economic conditions of 1878 with relation to 1882 were very much the same, and from this experiment we may obtain facts of great significance and benefit to those studying this problem to-day. when we are about to be faced with a high tariff wall in the United States.

What were the consequences of the application of the national policy with regard to an increased tariff? During those three years 95 new factories were established employing over 7,000 men; cotton factories to be completed before the end of 1882 would employ an additional 3,000 men. Of the 440 factories investigated and in operation in 1878, less the 95 factories mentioned, there was an increase in the number of men employed of from 5 per cent to 30 per cent, or an average of 17 per cent in 350 factories. In other words, in that three year period there was an increase of 24,875 men employed.

A more exhaustive examination was made in the city of Hamilton, and the results are extremely instructive. By the application of the national policy of Sir John A. Macdonald we find that the value of buildings occupied as factories in Hamilton was $705,200 in 1878, and by 1881 this had increased by $369,000, an increase of 51 per cent. The value of buildings had increased 113 per cent; the value of goods manufactured by 94 per cent; the number of employees by 117 per cent, and the average rate of wages per head showed an increase of 9¼ per cent. There was a further effect with respect to the activity of those factories which had not been operating full time. In 1878, thirty-three workshops were running full time and 24 were running short time; in 1881 fifty-six shops were running full time, one was running short time and 21 were working overtime. The rate of wages generally throughout the Dominion had greatly increased. These benefits were received not only by the industrial life of the country; our agricultural life received a great impetus as well. This report shows that there was an increased home market, an increase in the consuming power of the people, providing better home markets, and ability on the part of the farmers to obtain higher prices for vegetables, fruit, poultry, lamb, all kinds of meat, butter, cheese, oats and corn. In addition, the coal industry made a tremendous advance. A prominent Liberal manufacturer of Montreal named Green was asked this question: "If wages are higher how could the prices of commodities be lower?" Mr. Green's reply to Sir Leonard Tilley was, "Now we have doubled our production; we have orders ahead and our expenses of mangement have not increased, so we can sell at lower prices than we could before." The national revenue was greatly benefited and a deficit of $200,000 was turned into a surplus of $4,000,000. I refer to these matters, Mr. Speaker, because a careful study of the results of the application of a protective tariff in order to safeguard the agricultural and industrial life of this country shows that the cost of living does not as a result go higher, but that wages increase and that the volume of business becomes much larger.

This phase of our national life, in connection with the prospective attitude of the United States, is of great importance to British Columbia, where we have a population of 625,000 people. From our ports we export one-ninth of Canada's total annual exports. In 1928 the value of our forest products was approximately $94,000,000; of our mineral wealth, $65,000,000; of our agricultural production, $58,00,000; of our fisheries, $26,000,000, while the value of our manufactured goods was $300,000,000. In other words, in British Columbia we have diversified employment. More ships entered the port of Vancouver in 1927 and 1928 than entered any other Canadian harbour, something over 22,000, and we have some sixty steamship lines plying from Vancouver. As I say, in British Columbia we have diversified employment and activity; we have lumbering, mining, farming, fishing, transportation and the production of hydro-electric power, and with us the question of tariff is a matter of life and death. Eighty-five per cent of our lumber and shingle exports find a market in the United States; that is one of our greatest industries, and you can see the probable consequences of what would be an almost complete elimination of that market if the tariff duties of the United States were increased. We would have to readjust ourselves and find new markets, and that would be a difficult thing to do. So, where British Columbia is concerned, they scrutinize carefully the conduct of this government, and I can assure hon. gentlemen opposite that unless a sure and careful course is pursued, British Columbia, together with the rest of Canada, will express it resentment at the next election and will return to power a government which will put into effect a policy which will safeguard and protect the industrial and agricultural life of this country.

In our province the Australian trade treaty is a matter of considerable importance, and I desire to say a few words in that connection because we believe that a great deal of benefit could be obtained from that treaty. In making

these observations, however, I wish to point out to the government that the trouble in which they now find themselves because of the harm done the agricultural industry of Canada, and particularly the dairy industry, is of their own making. They could have avoided that situation in the first place, and had they done so they would not find themselves in their present awkward position. When that treaty was originally negotiated it was worked out on what I might call a protective basis, to which the government of Australia were quite agreed. In order to give preference to Australia in the items contained in the treaty it was proposed to raise the general tariff with respect to other countries but to leave it as it stood with respect to Australia. In other words, the protective duty on butter and other agricultural products coming into this country from Australia would have remained as it was and Australia would have had the full benefit of the terms of the treaty; our industries would have been protected and we would have had no trouble. Instead of following that course, however, the Minister of Finance sent a representative to Australia, I suggest at the instance of the free trade members from the prairie provinces who raised some objection in the matter of raisins —and by the way, I believe that no quantity of raisins of any consequence has come to Canada under this treaty—and this representative brought back an alternative proposal from the government of Australia. Under that proposal the treaty was modified on a lower tariff or free trade basis. They allowed the existing duty under the general tariff to remain but in order to give Australia a preference, the duties on those items so far as Australia was concerned, were lowered. In that way they established preferences upon a free trade basis which caused unnecessary injury to the dairy business of this country. I must repeat the words of the Finance minister when he spoke the other day: "the policy of this administration is a low tariff policy."

I would like to refer to the matter of state health insurance. In my judgment the time will soon come, having regard to the surpluses we are enjoying and to the healthy condition of this country, when steps could very well be taken with regard to the question of medical assistance to the poorer people by means of some form of state health insurance. This system of aiding the masses of the people in medical and maternity benefits has been in operation in Great Britain and in other European countries since 1912, and has worked to the tremendous advantage of the masses of the people.

[Mr. Ladner.]

A matter of local importance to Vancouver is the question of an airport. Communications have been exchanged between the municipal authorities and the government of Canada, and some of us down here also have been in communication with the government. The government has announced its policy as that of being unwilling to assist in the establishment of airports, except to the extent of assisting the provision of beacon lights and making a fifty per cent contribution towards certain standard lighting equipment. I think the government should reconsider this matter. Canada has contributed vast sums of money toward the development of railway transportation systems. Aeroplanes and airships constitute a new system of transportation, and I think this is a matter of national policy which the government should consider. Aerial transportation is of great assistance to the Postmaster General in the transportation of mail, and it also is of no inconsiderable consequence in the matter of national defence.

A further matter of local importance is the harbour of the north arm of the Fraser river. That portion of the Fraser river is adjacent to the southern boundary of the city of Vancouver and constitutes the fresh-water harbour of the city. In the past, and particularly under Conservative governments, the importance of this arm for transportation and industrial purposes was realized, and approximately $900,000 was spent on the river. A jetty was built out to salt water, but at present that jetty is in a state of disrepair, and other works upon the river are urgently required. Our communications with the government in regard to this matter have not been entirely successful. There is a steady movement of industry from in and around the city of Vancouver to the north arm of the Fraser river, and these works are very necessary.

Another question of interest to the province of British Columbia is the matter of national highways. This matter was the subject of discussion in the house a few days ago, but the province of British Columbia stands in a special position in that respect. One of the terms under which we joined with the rest of Canada at the time of confederation was that in addition to a railway there would be constructed what was called in those days a wagon road through British Columbia to connect with the prairies. Certain concessions were made by our province in consideration of that arrangement. A dispute arose, and the government sent out a representative to make an investigation. The province offered, and the government of Canada accepted the

offer, to abide by the decision of the Earl of Carnarvon, who was to investigate the matters in dispute, the government of Canada agreed that his award, would be carried out. The Earl of Carnarvon investigated the whole matter and made an award to the effect that the government of Canada should construct that road. That however, has never been done, and I would urge upon the government that they discharge their solemn obligation in that respect. The highway to which I refer is absolutely justifiable and necessary so far as our province is concerned, and in my judgment a national highway is justifiable in the best interests of Canada as a whole.

In conclusion, Mr. Speaker, I would say that I hope the government, in considering the problems which face this country, will forget the pledges of a political nature which have been made in the past, whenever such pledges are found to be unsound. The Prime Minister has told us that the platform of 1919 was merely a chart to guide him. That same reasoning should apply to-day when we are faced with possible action by the United States with respect to the tariff. I hope the government of this country, be it Liberal or Conservative, will have sufficient courage and determination and such pride in this country that they will give their best attention to the real interests of the people of Canada; that no matter what action the United States may take on this tariff question, their conduct shall be of such a dignified nature as to redound to the benefit of this country; that it will be characterized by good-will and tolerance, but also by a firmness of decision that the interests of Canada must come first.

Hon. P. J. VENIOT (Postmaster General): Mr. Speaker, in rising to say a few words on the budget I am not going to take up the time of the house in congratulating the Minister of Finance (Mr. Robb); because congratulations have been so heartily extended to him by every member of the opposition who has spoken that it is not necessary for us on this side of the house to repeat them.

Before touching on the main points which I wish to discuss, and to which I have given some thought, I should like to refer to the remarks of the hon. member for Vancouver South (Mr. Ladner), who has just taken his seat. In order to prove to the house that an increased tariff did not increase the price of goods at home, he went back as far as 1882 and quoted Sir Leonard Tilley, one of the ablest men the province of New Brunswick has ever produced. If the hon. member wished to be convinced he was in error in making the statement he did, he need not have gone back to 1882; he had only to refer to the stand taken by the financial critic of the opposition, the member for South Wellington (Mr. Guthrie), who in 1917 felt that he had proved absolutely to the house that an increased tariff did increase the cost of goods for home consumption. There is no need, I say, for my hon. friend to go back as far as 1882.

Mr. LADNER: Does the hon. gentleman mean—

Mr. VENIOT: Now, I did not interrupt the hon. gentleman. I kept very quiet while he was speaking.

Mr. LADNER: The hon. gentleman has made a mistake, that is all.

Mr. VENIOT: I do not intend to allow the hon. gentleman to throw me off my argument, or take up my time.

Mr. LADNER: I rise to a question of privilege. The minister is misquoting my statement. I said that the increase in duties did not increase the price of goods; I did not say consumption.

Mr. VENIOT: That is what I said. If I am not able to make myself sufficiently clear in English to the hon. gentleman, perhaps I can do so in French.

Let me refer to another point made by the hon. member for Vancouver South. When he discussed the Australian treaty, I rather thought he would have defended the Minister of Finance for his bringing about that treaty. The hon. gentleman says that now he feels he should condemn the Australian treaty because of the injury it has done to the dairy industry of Canada. The hon. gentleman had ample proof of what the Australian treaty could do and was doing when, during the by-election in Vancouver, he addressed a public meeting on November 28 last and took credit for almost compelling the Minister of Finance to bring that treaty in. This is how he tells the story; I am going to give it in his own way. He says:

I saw Mr. Robb later—

I am not going to read the whole of his speech.

—and he assured me he would reintroduce the treaty, which was done the next day.

Everybody knows how the Minister of Finance called the bluff of the opposition and withdrew his motion touching the treaty, but at the solicitation of the hon. member for Vancouver South, who had such influence with the Minister of Finance, he reintro-

duced the motion the next day in connection with the treaty. The hon. member takes credit for that. He goes on to say:

The records show that the first speakers to follow with support of the treaty were Doctor Manion and myself.

I noticed the other day that the hon. gentleman whom my hon. friend mentions as having followed him in influencing the Minister of Finance was one of those who applauded the loudest the financial critic of the opposition when in unmeasured terms he condemned the Australian treaty.

Mr. MANION: My hon. friend is imagining things.

Mr. VENIOT: I thought my hon. friend would rise at this. What is the spectacle we have in the house to-day? We have members of the Conservative party applauding their temporary leader when he condemns the Australian treaty, and others, when they go out into the country, claiming credit for having forced the government to put the treaty on the statute books. That is the situation. But we have a worse situation than that in the house. We have our friends discussing the tariff and pleading for higher duties, claiming that it is the only way to bring about prosperity in Canada, but perhaps, according to them, to continue the prosperity that we as Liberals have given to Canada under a low tariff. We have these hon. gentlemen on the one hand pleading for higher tariffs; but if you touch hard coal or bituminous coal for steel purposes in Ontario, if you add a duty to it, Ontario will go wild. On the other hand, we have our friends down in the maritime provinces, especially from Nova Scotia, asking for a duty on coal and more encouragement for the steel industry in the way of duty because, after all, the bonus amounts to that. We have the Conservative party representing Ontario at loggerheads with the Conservative party representing Nova Scotia.

Some hon. MEMBERS: No.

Mr. VENIOT: My hon. friends say "No," because they are driven to the wall now. I am laying down the situation as it exists.

An hon. MEMBER: The minister does not know the situation in Ontario.

Mr. VENIOT: I know that the Steel Company of Canada and other steel works and industries in Ontario will not be satisfied until they have obtained a drawback on United States bituminous coal to help those industries. That is equal to free entry.

Mr. MacDONALD (Cape Breton South): They have it now.

[Mr. Veniot.]

Mr. VENIOT: Exactly, they have it, but the very moment the government would attempt to impose a duty on coal, Ontario would go into revolt. It does not surprise me at all to find hon. gentlemen getting up from their seats when their political duplicity is exposed.

I want to refer to a few other statements of the financial critic of the opposition. The other day when he was delivering what I am satisfied to call a very good speech from the standpoint of the opposition, but one of the most inconsistent speeches that I have ever heard fall from the lips of any public man; when he was making his argument on the financial condition of Canada as reported in the budget speech, I happened to smile. I did not think it was any offence to smile while I occupied my seat in the house, but immediately the financial critic of the opposition threw across the floor of the house the question: "Why is the Postmaster General smiling? He has shown complete ignorance of the financial conditions of Canada." That was because I smiled. After this I suppose members on the government side of the house will have to go on their bended knees to ask hon. gentlemen opposite, especially those in the front seats, whether we may smile or laugh. I want to say to the hon. member for South Wellington that there was a reason for my smiling; it was because of the way he was handling the finances of the Dominion of Canada in direct opposition to the way in which he handled them and to the principles he applied in years gone by. Conditions have not changed from what they were in 1916 and 1917 when I, as a Liberal, was wont and proud to follow the arguments and to accept the principles of my hon. friend. If he was right then, he is wrong now, and if he is right now he was wrong then; and he led many Liberals in Ontario and other parts of the Dominion astray by the principles he laid down at that time. He is on the horns of a dilemma, and he cannot very well extract himself from either.

But there was another reason why I smiled at the expense of my hon. friend, and I am going to refer to it. For instance, dealing with the tariff, he laid down the principle that for the benefit of Canada we should have a high tariff, or a tariff higher than we have to-day; that that was the only salvation for Canada, the only solution of our present financial or economic ills. And my mind ran back to those days when I, with other Liberals, travelled many long miles to hear the eloquent voice of the member for South Wellington laying

down the principle that you must have free trade in Canada, especially in certain commodities.

Permit me, Mr. Speaker, to quote the hon. gentleman, and to ask if his stand then is consistent with his stand at the present time. In 1914 a debate took place in the house on the question of tariff. The Prime Minister of the Dominion at that time was pleading that if we admitted farm implements duty free into Canada, the great combines in the United States that were controlling the farm implements in that country would swamp Canada and put our manufacturers of farm implements out of business. On page 1567 of the Hansard of 1914, the hon. member for South Wellington said:

> There is a free market in Great Britain, and the trusts and the combines, the tremendous organizations which manufacture agricultural implements in the United States, meet in the free market of Great Britain the manufacturers of Canada, and Canada holds her own.

Of course, Canada can hold its own. Canada has always held it own, especially under the tariff laid down by the present government. And then he goes on:

> I desire in a few words to show that the removal, the entire abolition of the Canadian duties on agricultural implements, would not do an injustice to a single manufacturing establishment in Canada.

I should like, Mr. Speaker, to have an explanation from the hon. gentleman. Perhaps he has had a change of heart. I should like to know why that change of heart came about in respect to those questions, his views on which I—older, I think, than he is in age, but perhaps not in politics—was so proud to follow when he laid down that principle in the statement I have just read.

Mr. GUTHRIE: Does the hon. member desire the answer now?

Mr. VENIOT: No, not just now. The hon. gentleman, Mr. Speaker, had his opportunity, and he should have explained to this house his change of heart. But he thought the task was too heavy and he did not undertake it at that time, and I am not going to give him an opportunity now, in my time, to try to retrieve himself.

The acting leader of the opposition, Mr. Speaker, severely condemns this government because imports, he says, are too heavy, and of course he attributes this to want of a higher tariff in Canada. I wish to lay before the house a few figures to show that the principle laid down by the hon. gentleman was not a correct one. Let us take, for instance, the United States, the highest protected country in the world. I do not think I am making any mistake when I say that. We have it that under their high tariff the United States imported, in 1913, $1,756,900,000 worth of goods. In 1926—thirteen years afterwards—this had increased to $4,333,900,000. There is a country under the highest tariff in the world increasing its imports in thirteen years by three hundred per cent.

An hon. MEMBER: How about her exports?

Mr. VENIOT: If the hon. gentleman will just have patience I will come to that in a minute. Let us look at Canada, a moderately protected country, but a highly protected country in the first year that I will quote. In 1913 we imported $659,100,000 worth of goods, and, in 1926, $993,000,000, an increase of only thirty-one per cent, whereas in the United States, a highly protected country, they imported at a rate of increase of 300 per cent in thirteen years.

My hon. friend interjects a comment about exports. The United States exported in 1913 of domestic products—because that is the best way to deal with the exports of a country to show the effect of its tariff—goods to the value of $2,448,300,000. But in 1926 that had risen to $4,711,500,000, an increase of about 100 per cent. What did Canada do, a moderately protected country? Canada in 1913 exported $436,000,000, and in 1926, $1,268,000,000, or an increase of 300 per cent as against an increase of 100 per cent in the highest protected country in the world. Those are figures that cannot be gainsaid, and they are, to my mind, sufficient proof to any person who wishes to be convinced that the argument now advanced by the hon. the financial critic of the opposition cannot hold water in comparison with his former views as I have quoted them.

Now, Mr. Speaker, I wish to deal for a moment or two with the speeches of the hon. leader of the opposition (Mr. Bennett) during his tour in the maritime provinces. First I will take up his argument on the question of raw material. I find that the leader of the opposition very severely condemned this government because of the too large export of our raw material. If I mistake not, I think he laid down the principle that all raw material should be manufactured at home.

Mr. BENNETT: He did not, Mr. Speaker.

Mr. VENIOT: He laid down the principle then, Mr. Speaker, that we are exporting too much raw material and that we should retain our raw material at home in order to give employment to our people.

Some hon. MEMBERS: Hear, hear.

Mr. VENIOT: I am accepting the hon. gentleman's word for what he did say, but the inference to be drawn from the newspaper reports is about what I say.

Mr. BENNETT: That, I think, is out of order, Mr. Speaker.

Mr. VENIOT: Oh, no.

Mr. BENNETT: The hon. gentleman cannot accept the statement of an hon. member and then qualify it. He must accept it.

Mr. VENIOT: I did not qualify it. I referred to the reports of the press. They may be all wrong.

Mr. BENNETT: I am not going to argue the question, Mr. Speaker, but that is not what the hon. gentleman said.

Mr. VENIOT: The hon. gentleman stated—

Mr. SPEAKER: Order.

Mr. BENNETT: The point is this, Mr. Speaker: The minister accepted the statement and then qualified it by saying that he thought he was right, judging from the inference to be drawn from the newspaper reports. The hon. gentleman is bound by the statement.

Mr. SPEAKER: That is the rule.

Mr. VENIOT: Yes, if he accepted the statement unqualifiedly of the hon. gentleman. But that does not prevent my making this statement, that according to the newspaper reports the inference can be drawn as I stated. I am talking newspaper reports now.

Mr. BENNETT: But, Mr. Speaker, that is what he cannot do.

Mr. VENIOT: If the hon. gentleman says that those reports are not correct, that ends it. In 1927, Canada exported raw material to the value of $578,000,000. I am dealing with 1927, because that was the year that the hon. the leader of the opposition was dealing with when he was in the maritime provinces. Of this amount, $340,000,000 was wheat. Canada exported forty-six per cent of its raw material, including wheat. When I look at the statistics of the United States I find that, including wheat, it exported thirty-nine per cent of its raw material—that great protected country that was going to have all its raw material manufactured at home to give employment to its people. If, Mr. Speaker, we leave wheat out of the Canadian exportation as well as out of the American, we shall find that the percentage of raw material exported by Canada is at least twenty below the percentage of the United States—that highly protected country which my hon. friend is always holding up to us for the soundness of its fiscal policy.

But let me go further. I am about to quote a newspaper report of a speech made by my hon. friend the leader of the opposition. If it is not accurate I will ask him to correct it, and I will accept his word unreservedly. He stated:

> Mr. Hoover said last week that five hundred thousand families in the United States were working on products received from Canada. Would you not like to have some of those five hundred thousand families come to Canada?

Mr. BENNETT: Mr. Speaker, the hon. minister has asked me to correct his quotation if it is not correct. It was contradicted at the time. If he will refer to the same newspaper he will find that I said Mr. Hoover was reported to have said certain things, and that I could not vouch for the accuracy of his statement.

Mr. VENIOT: I can vouch for the accuracy of Mr. Hoover's statement, for I have got it before me. This is his statement:

> More than two million families in the United States earn their living to-day producing goods for export, and another million families earn their living in the manufacture of raw materials which we import in exchange for our exports. This increase in exports has brought a living to five hundred thousand families.

There is an instance of the principle that even in a highly protected country you have to export some of your raw material in order to get back that which you require at home to manufacture into the finished article and send it out into the markets of the world. Mr. Hoover goes on:

> This increase in exports has brought a living to five hundred thousand families.

Mr. Hoover was then referring to the trade of the United States with the whole world, and not to raw material imported from Canada.

Let me draw the attention of the hon. leader of the opposition to this fact. Of the 46 per cent of raw materials that Canada exports, 66.9 per cent goes to the United Kingdom and only 33 per cent to the United States. Do my hon. friends opposite lay down the principle that we are not to export our raw material to any great extent, that we must keep it at home and manufacture it to give employment to our people, and that

we must cut out the whole or any part of that 66.9 per cent that goes to the United Kingdom to help out the British Empire? Will they lay down that principle? No, they dare not. In point of fact they dare not make any such clear-cut statement; but the arguments they use to condemn this government for the export of raw material can tend to no other direction.

Now, Mr. Speaker, let me take up another argument used in the maritime provinces by the hon. leader of the opposition. He condemned this government, and quoted figures to show that we were importing far beyond what we should import from the United States. But in dealing with this phase of our trade relations with our neighbours to the south he was not fair to Canada. He knew that very large quantities of our goods imported through the United States are not credited to the country of origin, but because in the United States there are wholesale houses representing those other foreign countries most of the goods we receive in that way are credited as exported from the United States. In that way the figures are swollen and Canada is credited with receiving more from the United States than she actually does receive. Let me give an instance or two. Take cotton used in the manufacture of rubber goods—not one ounce of it is grown in the United States, but it is imported into Canada through the wholesale agencies located in the United States of the foreign countries producing that cotton, and of course the United States gets the credit for the exports. Then take raw rubber—not one ounce of that comes from the United States, yet if you examine minutely the trade statistics of the United States you will find that our rubber is credited as an export from that country. I could enumerate many other commodities. I might mention tea. We have in Boston to-day the largest wholesale tea-importing warehouse in the world, and most of the tea from foreign countries comes through that wholesale house, which by the way is owned by a Canadian. Yet the United States is credited as the exporter of that tea to Canada.

Mr. MANION: May I ask the hon. minister a question? What percentage of our imports from the United States is made up of imports from other countries that come through the United States?

Mr. VENIOT: If I had thought my hon. friend possessed so little knowledge of this subject,—

Mr. MANION: I am afraid it is my hon. friend who is ignorant.

Mr. VENIOT: —I would have made inquiries and been prepared to enlighten him.

Mr. MANION: Not ten per cent.

Mr. VENIOT: Then why did my hon. friend ask me the question?

Mr. MANION: I wanted to see if the hon. minister knew anything about what he is discussing.

Mr. VENIOT: Does the hon. gentleman know how much of the raw rubber that we import is credited as coming from the United States?

Mr. MANION: No; but I know we get $825,000,000 worth of goods from the United States, and a very small part of that is rubber.

Mr. VENIOT: The value of that raw material alone is somewhere in the vicinity of $28,000,000.

Mr. MANION: That is a very small part of $825,000,000.

Mr. VENIOT: I know, but I could enumerate a lot of other articles that originate in countries outside the United States.

Mr. MANION: Go ahead.

Mr. VENIOT: All the tea, all the molasses, all the sugar imported into Canada comes through the United States.

Mr. MANION: Give the figures.

Mr. VENIOT: If my hon. friend will add together the value of all those commodities he will have quite a large amount.

Mr. MANION: About ten per cent.

Mr. VENIOT: The hon. gentleman has made his speech, and I may be permitted to go on with mine. Now I want to touch on the question of unemployment.

Mr. McGIBBON: Post office.

Mr. VENIOT: Yes, I can do that too when the time comes, and I will give the hon. gentleman all he wants, as I did on a former occasion. In his tour of the maritime provinces the hon. leader of the opposition attempted to make a strong point of the fact that a number of Canadians crossed the border to seek work in the United States, and he stated that if we had a high tariff like that of our neighbours there would be very little unemployment in Canada. May I be permitted to point out that the percentage of unemployment in the United States to-day is far greater than in Canada. What do we find in the United States for 1927, the very year that my hon. friend was re-

ferring to? The New York State Department of Labour reported a decrease of 66,000 factory wage-earners in that state alone. The federal Department of Labour reported unemployment throughout the whole of the United States at five per cent less than in 1926. The percentage of employment in Canada—let my hon. friends follow this—in 1924 was 85·3 per cent; while in the United States it was 90·3; in 1925 our percentage was 86 as against 91·2 in the United States. But in 1926 our percentage jumped to 92·1, an increase of six points, while that of the United States remained almost stationary. In 1927 the percentage rose to 95·6 per cent in Canada, a gain of fourteen points over the first year I have mentioned, while in the United States the percentage fell to 88·5, a decrease of 3·4 in that highly protected country. The leader of the opposition (Mr. Bennett) speaking in the town of St. Stephen, New Brunswick is reported to have said, on this question:

It was only this afternoon that I learned—

This was August 17, 1928.

—the cotton industry of Milltown was operating on part time, and I looked up the trade report to seek a reason. I found that the importation of raw cotton for the past year had decreased, while the importation of finished cotton had increased. That, to my mind, was one of the reasons why the cotton industry was only able to work part time.

I am glad he acknowledges that.

Employment was given to the people of the countries from which Canada was importing, and that is one of the reasons why Canadian young men and women were obliged to leave home and seek employment in foreign lands.

He condemns the foreign country because it is not sending raw material to us to give employment to our people, and he condemns us because we allow our raw material to go to other countries.

There were thousands of Canadians ready to return if they could get employment.

I do not believe that the leader of the opposition, when speaking in St. Stephen, realized the place he was in. St. Stephen is situated right across the border, a river separating it from Calais, in the state of Maine. There are two international bridges crossing that river. There is a cotton factory, there is a candy factory, and there is an axe factory at St. Stephen and Milltown, and every morning in the vicinity of from 550 to 600 Americans—residents of that highly protected country—have to come across the border to earn their living in the cotton factory and in the candy factory on the Canadian side. Is it any wonder that, as I am informed, when the hon. gentleman was making that highly protective speech at St. Stephen someone rose in the audience and asked him what he was going to do for the consumer and he was not able to give an answer.

I have only a few minutes left, but in those few minutes I wish to touch upon the question of immigration and emigration. I wish to quote again from the leader of the opposition—and I am quoting him frequently to-day because I followed him with deep interest while he was making that tour in the maritime provinces. He spoke at several places there, and when he came back to Ontario he addressed a meeting at Oshawa on July 23, when, according to the newspapers, he made this statement:

Since 1922, 573,000 people have been brought to Canada from all over the world. In the same period 591,000 have gone to the United States. In other words, since the Liberals achieved power 18,000 more people have left Canada to go to the United States than have come into it from all the world. Why? Because there is no work for the Canadians.

What are the facts? Why did not my hon. friend show both sides of the medal and tell the people whom he was addressing on that occasion that while it is true that a number of Canadians did leave the country it is also true that some 474,000 of them came back into Canada and are to-day residing in this country? Why did he not at the same time say to the people at Oshawa that while a number of persons left Canada to go to the United States there were somewhere in the vicinity of 147,000 people, residents and natives of the United States, who came across into Canada and are to-day permanent residents of this country? Why did he not treat the question as it should have been treated? As I say, why were not both sides of the medal shown? What is the record? We find that since the termination of the war 270,066 settlers left the United States—American subjects, American born—and came across into Canada to settle, being to-day permanent citizens of this country. Are we to infer that they had to leave the United States, that highly protected country, and cross the border in order to earn the living which they could not earn under high protection? And in the last fifteen years what do we find? We find that 524,772 Americans have left their native land and are to-day loyal and true citizens of the Dominion of Canada, earning here in a moderately protected country the living which they could not earn at home under a highly protective tariff. This is where my hon. friend was unfair. These facts should be known to him, if they are not. And the

facts being known to him, he should have been sincere enough, or at least should have wished to be fair enough, to show both sides of the medal to the people he was addressing at Oshawa, allowing them to judge of the issue.

An hon. MEMBER: No wonder he nearly upset the Rhodes government.

Mr. VENIOT: I will not refer to that, although the leader of the opposition did visit Nova Scotia a few weeks before the political landslide in that province. And from what I can hear there, a great many even of the Conservatives say that it would have been better for the Rhodes government if the leader of the Conservative opposition in Canada had not shown his face there.

Some hon. MEMBERS: Time, time.

Some hon. MEMBERS: Go on.

Mr. VENIOT: Let me in conclusion quote from the Financial Post—and surely no one will tell us that this is a Liberal organ—regarding the question of immigration.

> The fact that the two nations be alongside of each other is bound to remain a constant stimulus to the movement of people back and forth.

Everyone knows that; even the leader of the opposition knows it. The Financial Post did not need to tell us; we all know it. Yet my hon. friend pleads ignorance of that fact when he argues the other way. The article goes on:

> After all what counts is the balance of immigration between Canada and United States. During June 4,346 Canadians left Canada to cross the border. At the same time 3,526 Canadians who had gone to United States to take up residence there returned to Canada. But there were in the neighbourhood of 3,000 Americans who came to Canada in June. The net advantage was distinctly in favour of Canada. Distinctly good business in Canada and a high level of employment are bringing Americans and ex-Canadians to Canada.

Mr. H. J. BARBER (Fraser Valley): I will not undertake to reply to the remarks of the Postmaster General (Mr. Veniot) in his tirade against my leader (Mr. Bennett), because I feel sure that when the leader of the Conservative party comes to speak he will be quite capable of dealing with such criticism.

This is one opportunity which the back bencher has to make himself known in this house, and it is fortunate that, under the rules, two debates are provided—one, the debate on the address and the other the budget—in which hon. members are not confined to any particular ground. I wish first of all to congratulate the hon. member for South Wellington (Mr. Guthrie) upon his very able speech of Thursday last, in which he placed before the people of Canada the true condition of affairs as brought about by the policy of the present administration. Even our friend from Lisgar (Mr. Brown) admitted that the hon. member correctly diagnosed the troubles of Canada, although he did not agree that the remedy suggested by the acting leader of the opposition was a suitable one. In the matter of providing a remedy I think the physician in charge of the patient should be capable of prescribing an effective remedy, and in this instance those who have made a study of the branches of agriculture to which the hon. member referred surely should be in a better position to treat the case or to operate than the surgeon from Lisgar, who I think would take great pleasure in performing the major operation of severing the industry just above the shoulders.

Coming as I do from British Columbia and representing one of the richest districts in Canada I feel it my duty to make a few observations on this budget. I have said that mine is one of the richest districts in Canada; by that I do not mean that we have millionaires there or people with very large bank accounts but that the resources and the amount of money invested by the pioneers are very great. In order to convey some idea of the diversified industries and the richness of that district I would direct attention to the fact that not only are we rich so far as agriculture is concerned but that the amount of money invested in industry in the Fraser valley is about $55,000,000. We have great timber wealth, and although lumber has been manufactured in that district for over forty years we still have one of the richest stands of timber in the country. Over six billion feet of the very finest fir and cedar to be found anywhere on the continent are located in that district. We have some of the largest logging concerns in Canada operating in that valley and we have also the largest lumber mill in Canada. In addition to that, at the eastern end of the valley we have extensive mineral properties which are being rapidly developed.

The Fraser valley is perhaps more famous throughout Canada for its agriculture, for its dairy and poultry industries and for the production of fruits and vegetables; thousands of acres are devoted to the growing of small fruits such as strawberries, raspberries and loganberries, and such tree fruits as cherries, pears, apples, plums and prunes. Some of the largest commercial poultry plants are located in that district, running from 750 to

5,000 birds per plant; and speaking of records, I would like to inform the house that the Fraser valley was the district in which hen No. 6 made her great record of production. The Fraser valley is famous also for its pure-bred dairy herds and a number of world records have been made by the cattle of that district. A newspaper man, in an article concerning the district, described it as a valley flowing with milk and honey; I believe this is literally true, because last year a river of over 9,000,000 gallons of milk flowed towards Vancouver, together with a smaller river of about 180 tons of honey. This is not all; we boast of the greatest rose gardens in Canada, covering an area of forty acres, and we have the largest hop garden in the world, consisting of over 600 acres. With reference to the growing of hops I might say that the entire commercial production of Canada is confined to the Fraser valley, where some 1,200 acres are devoted to this crop, the annual value of which approximates three-quarters of a million dollars. This is a very valuable industry which should receive encouragement, and I point out to the government that the condition of this industry at present certainly requires the very best consideration of the Minister of Finance and those associated with him.

This little picture I have drawn of conditions in the Fraser valley would lead one to believe that we are enjoying that prosperity mentioned by the Minister of Finance. I am prepared to admit that the farmers of that district are in a better condition than those of any other district I have visited throughout Canada, but at the same time I challenge the Minister of Agriculture to go into that district and try to convince the farmers and producers that they are enjoying this bountiful prosperity. I do not say that they would treat him roughly, but certainly they would direct him to an institution at Essondale maintained by the provincial government for those not quite mentally sound. Representing this great district and knowing the problems facing the producers there, I heartily endorse the amendment moved by the hon. member for South Wellington. I agree with him that the financial statement is clear and concise; it shows that the financial affairs of Canada are in a very satisfactory condition. It further indicates to me, and I think to the people of Canada, that we are enjoying sufficient prosperity at least to pay our taxes. And now that I have come to the subject of taxes I might say that I believe the country has been rather misled in this respect. If you notice the Liberal press of the day following the presentation of the budget you no doubt observed headings which said "Robb Reduces Taxation;" "Taxes Reduced" and so on, and even the Minister of Agriculture said the other night that we should keep the Minister of Finance in office so long as he continued to reduce taxes. But, according to the minister's own statement, we find that he has been very careful not to announce a reduction in taxation. He announces a reduction in rates, but as someone has pointed out, it is not the rate but the burden of taxation that counts, and the burden of taxation imposed upon the Canadian people is increasing each year.

Let us examine the statement presented by the minister. Last year we collected from customs taxes about $185,000,000, an increase of some $28,000,000 over the previous year; in excise duties we collected approximately $63,000,000, an increase of $6,000,000 over the previous year; in income tax, we collected $58,000,000, in round figures, an increase of about $1,900,000. The increases from these sources totalled about $35,900,000, and then there were certain decreases. From the stamp and sales taxes we collected roughly $81,500,000, a decrease of about $8,700,000. We collected $450,000 in business profits tax, a decrease of $500,000, leaving a net increase in taxes collected from the people of Canada amounting to $26,700,000.

Another reduction has been made in the sales tax this year, but I think the people of Canada regret that this tax has not been entirely wiped out. Any business man who will sit down and figure out the result of this one per cent reduction can only say that the benefit will scarcely reach the great consumers of this country. The revenues from taxes have been very large during the past year, and I think the Minister of Finance could have wiped out the sales tax entirely.

During the course of this debate we have heard the argument from our free trade friends that a low tariff means lower taxes and a high tariff means higher taxes—an argument which cannot be backed up by the statement of the Minister of Finance. It has been proven that as we lower the tariff the volume increases, and it has been shown that during the past few years, in spite of a lowered tariff, the volume has increased to such an extent that the taxes from that source have increased. The budget announcements were received no doubt by some with a sigh of relief that the minister had ceased to tinker to any great extent with the tariff; by others it was received with disappointment, and a feeling of regret that he had not the courage to step out

and give relief by way of protection designed to be helpful to the wage-earners and their employers which would stem the tide of imports from the United States. The minister made a very unnecessary announcement, something of which the country is quite aware, to the effect that his party stands for a low tariff. If the minister and the government continue to pursue the policy they have followed for the last few years they will soon be able to announce that grand old Liberal policy: "tariff for revenue only." Their policy at the present time is to make their imposts revenue-yielding rather than helpful in the building up of Canadian industry.

The trade returns for 1927 show that we imported from the United States goods to the value of $707,000,000, in round figures, while the exports were valued at $474,000,000, leaving an unfavourable trade balance of $233,000,000. For the same period in 1928 our imports are valued at $825,000,000, our exports at $492,000,000, leaving an unfavourable trade balance of $333,000,000. The increase in unfavourable trade balance from 1927 to 1928 amounts to $100,000,000. The policy followed by this government is forcing us to become more dependent on foreign countries. When that point is reached with regard to any particular product we all know what happens. The people of Ontario know that only a few years ago they were forced to depend on the United States for their peaches, when there was a shortage in Ontario. They were forced to pay the highest price they had had to pay for years. The Americans dictated the terms.

The policy of this government has created what we might well term distress in certain branches of the agricultural industry. I refer particularly to the dairy, poultry, and fruit and vegetable industries. Dairying is one of Canada's major industries, amounting to $250,000,000, or equal to our great mining industry. The combined dairy and poultry industries represent a business of four or five hundred million dollars per year, or equal to the great wheat production of this country. A few years ago we boasted of the great future of our dairy industry, and the Department of Agriculture undertook to institute some sort of campaign to encourage winter dairying. The farmers took that up and spent large sums of money in fitting up their buildings and improving their herds, so that the supply of butter might be distributed more equally throughout the whole year. Just about the time they were in a position to place Canadian butter on the winter market, the Minister of Finance with one stroke of his pen permitted butter to enter this country at one cent a pound duty. Butter fresh off the grass of New Zealand began to come into this country and compete with the product of the Canadian farmer. Thousands of pounds came in, and this increased to millions of pounds until to-day we find that over 21,000,000 pounds of foreign butter came into the Canadian market during the twelve months ending with January of this year. What does this 21,000,000 pounds represent? It represents the production of 100,000 dairy cows, and it means that the worth of those cows has been transferred to New Zealand. We find that the herds of New Zealand have increased by 50,000 cows, while our herds have been decreased to a much larger extent. I do not see how the government can pursue such a policy as this in regard to one of our staple industries.

There is another industry which is a very important one in British Columbia, and it has become a very large industry throughout Canada, namely, the poultry industry. The poultry men of this country are protected only to the extent of three cents, while the American poultry men enjoy a protection of eight cents. The import of eggs for the twelve months ending January of this year amounted to 979,433 dozen in shell, valued at $415,457. I assume this refers to case eggs from the United States. The import of frozen or canned eggs, mainly from China, n.o.p., amounted to 2,921,533 pounds valued at $658,490. The classification n.o.p. might mean "not awfully powerful," but I understand the real meaning is "not otherwise provided." The total value of the imports of eggs amounted to $1,073,947. It may be said that we have been exporting eggs to other countries, but I think the returns will show that the only exporting which did take place was to the United Kingdom, and the value of those exports was $306,708. The Vancouver firms undertook to place the British Columbia egg on the market of Great Britain. They sent shipments through to the old country and they lost on some of them. They went to the department in Victoria, to the provincial Minister of Agriculture, and they said: "We are undertaking to establish a trade in Great Britain; will you guarantee us against loss?" The department could not do that, and the result is that those exports that have been taking place during the past year have been more or less experimental. On the other hand, more than a million dollars' worth of an inferior quality of eggs came into this country last year to compete with the good Canadian egg. Eggs in my district dur-

ing January were selling at twenty-two and twenty-five cents a dozen Many of the small producers had to go out of business; they could not afford to buy grain. And when I say they could not afford to buy grain, that brings up another question. I should like to point out to the government and our friends from the prairies that we are to-day paying more for grain in the Fraser valley than they are paying for the same grain in China or Japan. This is due simply to the domestic rate on grain, which is just double the export rate to Vancouver. While they pay twenty-one cents on export grain, we to-day are paying forty-two cents to Vancouver and then we pay the freight from there.

Last year British Columbia shipped two cars of eggs to the eastern market, and we have demonstrated that we can put on that market the very best quality of eggs in the best condition, far superior to any that may be imported, but we are barred from the eastern market by the policy of hon. gentlemen opposite who permit the free importation of United States case eggs and Chinese eggs leaving little or no opportunity whatever for our people to place British Columbia eggs on that market.

I come now to the fruit and vegetable industry. If we take into consideration the greatly increased consumption of these products, we wonder why our industry has not developed to a greater extent. The reason is quite plain. The policy of hon. gentlemen opposite has encouraged the replacing of our good Canadian product by that of a foreign country. We in British Columbia remember what happened last year when protests came from almost every fruit and vegetable association from the Atlantic to the Pacific, and when they prayed that the government give them some protection, at least during the season that our fruits and vegetables are ready for the market. A large deputation waited on the government and presented their case, but still nothing was done. The result was that last year was a disastrous one for the small fruit growers of British Columbia, and they were forced to sell at ridiculously low prices. The same conditions prevailed in other branches of the industry.

Hon. members may be surprised to learn that according to the returns we imported from the United States, last year $38,000,000 worth of fresh fruits and vegetables, and I challenge anyone to check over those returns and dispute the fact that at least $10,000,000 worth could and should have been grown in Canada. The government has not even the courage to step out and give these producers what they ask, namely, protection during the season that our fruit is ready for the market. They have promised us relief in the budget; they say: We will not raise the tariff on any product, but we are going to do something to help lessen the cost of production. Therefore, under schedule A, item No. 448, they have lowered the duty on spraying machines, fruit or vegetable grading machines, and pruning shears. There is one article in particular to which I wish to refer, and that is a special machine designed for sterilizing bulbs. This surely is not for the producers of bulbs in Canada, because on Vancouver island and on the mainland of British Columbia we grow just as fine bulbs as are grown in Holland. But we are up against this foreign competition, and now to save the importer of foreign bulbs from loss the government are going to put in a machine to sterilize those bulbs so that they will not be destroyed at the port of entry.

Mr. CHAPLIN: That machine is to sterilize the car of the Minister of Agriculture.

Mr. BARBER: These branches of the great agricultural industry have been looking to the government for some kind of relief, and they have decided what that relief should be. After a number of years of struggling with the problem, they certainly should be in a position to decide what the relief should be, and they have decided that they must have a protective tariff against this unfair competition so that they may enjoy their own home market. The opposition to this relief does not come from the industrial centres of the country, the large consumers; it comes from another branch of this great industry. It comes from the members from the prairie provinces, the grain growers, upon whose support the government owes its existence to-day. It is unfortunate that the opposition comes from another branch of agriculture. I think the great ambition in public life of the hon. member for Weyburn (Mr. Young) is to wreck the fruit and vegetable industry. Not only does he use his oratorical powers in the house, but he has an organization known as the Consumers' League, which employs counsel to fight this industry before the tariff board and to spread propaganda throughout the press of the country.

The hon. member for Qu'Appelle (Mr. Millar) says that he cannot support the amendment because he does not want wheat protected. Perhaps wheat does not need protection. These hon. gentlemen want some kind of relief; those of us who have sat in the house for a number of years feel that they

desire some kind of relief. All that we say to them is: Bring down your plan of relief and you will have our support. I challenge the representatives from the prairies, so-called wheat growers, to point to one instance where we have turned down any proposition or any legislation or any vote that was destined to benefit the wheat growing industry. We are pleased to know to-day that the result of the financial support afforded through the parliament of Canada has placed that industry in the front line of the great grain growing countries of the world. We have this great industry divided; both of these branches are asking for some kind of relief, and as I said before, who is in a better position to say what that relief should be than those who are engaged in the industry? One branch has a definite plan, while the other says: you cannot have it. It is the duty of the government to endeavour to solve these problems and to bring the two branches of this great industry together as they should be. This is a question that has been very much discussed in the country to the south of us.

Let me point out that the value of the total agricultural production of Canada is estimated at $1,660,000,000. It is interesting to note that the total grain crop is put at $735,000,000. The difference of $910,000,000 is credited to the other branches of the industry.

In the country to the south we have producers of wheat, cotton, corn and tobacco, all exportable products. Then we have the dairymen, the poultrymen, and so on. It is the same in this country. We have the grain growing interests who produce an exportable product, and we are pleased to learn that to-day they are exporting seventy-five per cent of their crop, and although Canada is the greatest consumer of wheat per capita in the world we believe that the exportable percentage will be maintained in the years to come. The Canadian wheat grower has many advantages over the growers of other countries. He has the natural advantage, and his hard wheats are of the highest quality and much sought after by foreign millers. Compared with other wheat growing countries, the Canadian farmer has a larger yield per acre and a low cost of production. He has the most modern and scientific implements in the world. He is at a great advantage in having such magnificent technical equipment for the transportation, storage, cleaning and handling of his wheat from the local elevator to the sea-going vessel. A great railway organization plays an important part in the marketing of wheat.

78594—59½

With regard to the American situation, I do not think we should be worried over it for one minute. Ours is a purely Canadian problem while theirs is a purely American problem, and we must look after ourselves.

I wish to refer to an address given by a prominent American at a convention held in California last December. Referring to this great question of farm relief in that country, he said:

> The farmers that believe in cooperative marketing as the principle or only hope of farm relief, will see that cooperative marketing has only a slight chance of success when there are excessive surpluses to be dealt with, but it works very successfully when there are no surpluses. The combination into one or more plans of tariff, McNary-Haugen pooling and cooperative marketing, offers the farmers prompt and adequate relief.

He further points out, and this might be of interest to the Postmaster General (Mr. Veniot):

> That the tariff law, now in operation, was enacted in 1922. It was the aim of that law to protect American farmers as well as all other lines of industry. The tariffs on most agricultural products were raised by the Tariff Act of 1922, but results have proven that the raises in agricultural tariffs were so much too small that since 1922 our country has reversed its favourable position from always exporting much more of agricultural products than we have imported, to its ruinous position of importing in every year since 1922 much more of agricultural products than we export. This reversal amounts to over a billion dollars more of agricultural products and thus accounts for America's ruinous agricultural surpluses.

Such men as I have quoted here have made a study of this problem throughout the United States, and I believe they are meeting in Washington within the next two weeks in consultation with the new government. I think it is up to this government to call together representatives from the different branches of the agricultural industry, and bring down some legislation, or some policy, that will preserve the great agricultural industry of this country.

There is one other matter, Mr. Speaker, that I should like to refer to for a moment, and that is our transportation system. This is closely allied to the great industry of agriculture, and, in fact, to all the industries in this country. We are proud of our railway transportation companies, and especially our own system, the Canadian National Railways. It has made rapid progress and is rendering a great service to the producers of this country. But that is not what I was going to refer to particularly at this time. I was going to refer to the problem which has already been discussed in this house, that is,

the problem of highway building. This is a matter that has been left entirely to the provinces, and, coming from the great province of British Columbia, I regret that the federal government have not seen fit to grant relief in connection with some of that work. We have been constructing a great highway through the Rocky mountains, known as the Caribou road. We have spent some two million dollars on it, and it will take another two million dollars to complete it. We are not building it for the benefit of the people of British Columbia alone. We are building it for the benefit of the people of Canada, and I believe, sir, that provincial highways through all the provinces should be considered as Canadian highways. I hope that by next session the government will have had some light on this great question, and that they will take a leaf out of the book of our neighbour to the south and bring down a vote in support of highway building. The federal government of the United States have been contributing large sums of money to highways, because they believe that a good highway is one of the best assets any country can have. You can take the highway at Vancouver, British Columbia, and travel clear through to Mexico, a paved road all the way, and you can take the highway here and travel right through to Florida. It has been pointed out that it would be a good business investment.

There are two industries closely allied with good roads, that is, the automobile industry and the tourist industry. Good roads and better roads mean more cars and more cars. It means an increase in our automobile industry, and, under the policy of the government, there will be a greater revenue in customs tax because there will be all the more automobiles imported. From the standpoint of the tourist traffic, when we take into consideration the fact that there is one car for every five people in the United States, and that there are sixteen million families in the United States who own their own cars, longing to get out into a new country, it is not hard to realize the benefits that would accrue. Here we have the pulling power. Canada's scenery pulls them this year and next year that attraction will be even more powerful. We have the playgrounds of the maritimes and the beautiful and historic spots of the old provinces of Quebec and Ontario, the grain fields of the prairies and the Switzerland of the Pacific coast?

The SPEAKER: The hon. gentleman's time has expired.

[Mr. Barber.]

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, We must naturally infer from the budget which the hon. Minister of Finance (Mr. Robb) delivered on the first day of the present month that the affairs of the Dominion are in a flourishing state. Thanks to the prosperous condition of our finances, the Canadian taxpayer will further benefit this year by a reduction in taxation amounting to more than $25,000,000. The customs returns amount to $185,000,000, an increase of $28,000,000 over the fiscal year of 1927, apart from the increase of excise taxes and the revenue from the income tax, notwithstanding the 10 per cent reduction of last session.

During the last six years, the present government has decreased our national debt by more than $226,000,000. Our favourable trade balance amounts to nearly $155,000,000. This is why, I think, the Canadian people are bound to be proud of the administration. Notwithstanding an increase of $6,000,000 in the country's general expenditure, our government is in a position to apprise the people of Canada of a surplus of $97,000,000. Let me remind this honourable house that agriculture alone will be granted this year $1,189,055 more than it received last year. That, sir, is an act of justice on the part of the government in favour of our largest industry.

The farmer employs on the land 45 per cent of the Canadian labourers; almost half of the hand labour employed in industries. Have we ever seriously considered the consequences which might overtake our economic situation were agriculture to take one step backward or suffer a temporary check? Have we foreseen the disastrous consequences which would follow the desertion of the soil, the contempt for the farm and the disavowal of the patriotic virtues inherent in the calling and the person of our sturdy farmer? Will the happy folks of our countryside to-morrow, inherit the ideal good humour, energy and admirable perseverance of their predecessors?—the strength and prosperity of Canada in the past, and her glory to-day. Yes, so long as those at the helm of public affairs always bear in mind the true, constant and urgent needs of the producer and the consumer, and the welfare of all the citizens of Canada.

In the present debate, the hon. members for South Wellington (Mr. Guthrie) and Fort William (Mr. Manion) have each in turn uttered their usual lamentations and exaggerated complaints. Indeed, the views of the most enlightened industrial and financial men,

the statistics furnished by those who carry weight in the business world, suffice entirely to explode the bold statements of those honourable members. In fact, according to the annual statement of the Royal Bank of Canada, the contracts granted in connection with construction in this country during the first months of 1928 amount to $453,000,000, compared with $247,000,000 for the same period of the year 1924. The outlay for the building of bridges, wharfs, highways and streets increased from $5,000,000 to $100,000,000, during the last four years. This year the Canadian Pacific Railway Company intends to apply to its system of transportation by water and land the sum of $50,000,000, and the Canadian National Railways will expend $30,000,000.

With these facts before us and the statement of the hon. Minister of Finance, how will the hon. members of the opposition substantiate their charges? How will they contend, without exposing themselves to ridicule, that bankruptcy is at our door when the financial situation of Canada reveals an era of prosperity which on the whole is reflected in every field of activity? Is the hon. member for Fort William justified in stating "Let us have a more virile Canadian policy than that advocated by the government"?—when the present virile and courageous administration generously devotes itself to the interests of the nation. Will my hon. friend still persist in his charges notwithstanding the progress accomplished during the last few years? The marvellous strides of our country loudly proclaim the truly national policy of the government.

I shall not tarry over the compliments paid by the hon. member for South Wellington to his ex-leader, Mr. Meighen. I may, however, point out that the hon. member might have raised to his venerated leader a monument more flattering to both of them, than the unbusinesslike piece of legislation to which he referred, and which already has been judged and condemned by the people of this country.

Now, sir, in closing my remarks I cannot remain silent on the amendment of the hon. member for South Wellington. The object of the amendment was conceived in darkness and brought to light under the mantle of adequate protection.

I shall have the opportunity in the course of the present session to discuss our tariff policy. However, I have no fear in stating right now that the high protection which the hon. members of the opposition have been using as a talisman for a number of years is not suited as a whole to the interests of this country where the various types of farming and industrial aims are so different. I agree that for certain natural products of a national character we should carry out an experiment of a seasonal tariff during the months of June, July, August and September. I have already advised such a step, and I do now advocate and shall not cease advocating the trial of such a tariff by the government. Our fruit and vegetables, in the interest of the producer, must have free access to our home markets. The consumer, during this period of overproduction, cannot indeed find fault with the high prices since he can find on his own markets fresh vegetables in plenty. Moreover, has the consumer ever taken into consideration that he must often make good to the middleman the transportation charges on foreign products, amounting to from $60 to $80 per car?

Thanks to laudable rivalry among our truck-gardeners and to intensive gardening, the consumer will benefit greatly by the aid given to the farming class. The surplus of hand labour will find work in the neighbouring rural districts of large cities and thereby help production. The grading of garden products, and the ever increasing improvement in the methods of gardening are great assets both to the consumer and producer. Farming needs markets. The government has created them and is ever ready to grant this great basic industry generous assistance. All earthly things are subject to improvement. However, if we consider for a moment the evil regime of the Tory party and peer into the present glorious prosperity, we have no hesitation in giving our verdict.

If, for a moment, we glance at the dairy industry's situation, we see that it is developing splendidly under the benevolent protection of the leaders of the nation. So much so that Mr. Frank Herns, secretary of the Western Ontario Dairyman's Association, recently declared that it never had been so prosperous. If we glance at the marvellous expansion of industry and trade, the increase of more than 3,000,000 acres of our land under cultivation during the year 1928 alone, is it possible to accept as reasonable the exaggerated criticism of the opposition? No, sir! On the contrary, I believe that all well-thinking citizens of Canada will without hesitation cast aside the selfish charges of our hon. friends of the opposition. I am confident that the present government will endeavour to carry on the

administration of the country in the interest of all classes, instead of sacrificing one class to another, always bearing in mind that every individual, in whatever trade or occupation he may be engaged, is entitled to justice and generous assistance.

Mr. C. E. BOTHWELL (Swift Current): The budget each year seems to bring many varied opinions from the different corners of the house. After the Minister of Finance (Mr. Robb) brought down his budget I was interested in noticing the press reports as to the opinion throughout the country regarding it, and it seemed to me that the budget was well received in all quarters of Canada I was somewhat surprised when last week the acting leader of the opposition (Mr. Guthrie) in his address in this house criticized that budget. He congratulated the Minister of Finance on the manner in which the budget had been presented, and also on the reduction which was being made in the debt of Canada; but he took occasion to criticize him with respect to many particulars in connection with it. I was rather interested in the quotations given by the hon. member for South Wellington from the public accounts. Reading from page 45 he stated that the Liberal government should take no credit for having surpluses because the party which he represents also, while in power, had surpluses; and he quoted from the public accounts to show that while there was a surplus from year to year during several years of Liberal regime, there were also surpluses during several years of Conservative rule. If the hon. gentleman had turned to the very next page he would have been able to give the country information as to what such surpluses really amounted to. He did not tell us, for instance, when quoting the figures for the years 1917 to 1922, showing an increase from $41,000,000 to $82,000,000, that these surpluses were gained at the expense of an increasing public debt in Canada from $81,000,000 to $674,000,000 per annum. The increases in the debt, taken from page 46 of the public accounts, for the years quoted by the hon. gentleman, from 1918 to 1922, are as follows:

1918..	$312,697,764 70
1919..	382,646,969 94
1920..	674,337,591 35
1921..	92,010,359 90
1922..	81,256,818 04

The hon. member might also have directed the attention of the house to the fact that since confederation there have been only thirteen years in which there have been no surpluses, and ten of those thirteen years were during the regime of the party for which he was speaking the other day. On the other hand, during the Liberal administration—quoting for the same years, from page 46 of the public accounts—we find that the Liberal government not only had surpluses but also reduced the public debt of Canada. In 1923 there was an increase of $31,641,067.01, and from that time there have been continual decreases in the debt. It might be interesting to put these figures on Hansard in order to compare them with those set out by the hon. member for South Wellington. The decreases in the debt have been:

1924..	$35,993,593 86
1925..	345,589 29
1926..	27,706,586 17
1927..	41,896,729 33
1928..	50,984,137 17

And according to the Minister of Finance the amount for the year ending March 31, 1929, will be $69,782,000. Since confederation there have been fourteen years in which there have been reductions in the debt of Canada, and of these fourteen years ten of them have been during Liberal administrations.

Mr. GEARY: To complete the record, would the hon. gentleman explain how the public debt was added to during the years from 1917 to 1922, by expenses in connection with the war and railway administration?

Mr. BOTHWELL: The public knows that. During the years from 1914 to 1918, and possibly in the years following, we have had the expenses of war and the aftermath of war.

Mr. GEARY: I am sorry to interrupt the hon. gentleman, but this is a little circumstance which is generally omitted in statements made by hon. members opposite.

Mr. BOTHWELL: Listening to the debate I gather that the main criticisms are two: first, that there should be further reductions in taxation, and secondly that there should be a greater measure of protection of industry. With regard to the first—reductions in taxation—this has been dealt with by speakers who have preceded me, and it has also been discussed at some length by the Minister of Finance himself in his address to the house. Since this administration came into office there have been reductions in taxation in various forms; we have had reductions in the income tax, in the sales tax, in the tariff, which is indirect taxation, in stamp taxes, postal taxes and so forth. It is not necessary to give the details of the reductions. It may be a fact that more money is being collected

from the people of Canada now than was the case during the former administration, but to me that only reflects the increased prosperity of the country. The hon. member for East Calgary (Mr. Adshead) explained something of the difference between the burden of taxation and the rate of taxation; if the country is in a more prosperous condition it will contribute more money to the government by way of revenue which might be taken as taxation, but such taxation will not affect the people so much as otherwise would be the case.

I am going to leave that phase of the situation there and consider for a few moments the arguments for increased protection. I am reminded of the session of 1926, when quite a number of new members entered this house; during that session we listened for days at a time to different debates and we heard the calamity talk from hon. gentlemen opposite. We newer members almost feared that we were going to bring about the ruination of Canada; we were almost smothered with statistics quoted by hon. members opposite and it looked as though we were facing absolute ruin. Since that time we have learned not to take too seriously remarks made by hon. gentlemen opposite; after three or four years we find that instead of facing ruin Canada is now in a better and more prosperous condition than ever has been the case. It might be interesting to some hon. members to note a page of the Financial Post, which is not particularly friendly to this government. I refer to the issue of March 8, page 7, which deals with Canadian business conditions and where the following headings will be noticed:

Building Values Setting Records in Current Year.
Dollar Business Sets Up New Mark.
Iron and Steel Producers Active.
Labour Situation Best in Decade, Report Reveals.
January Trade Returns Above Those Last Year.
January Imports of Rubber Reflect Increased Activity.

Then in the summary, under the heading "Business Still Moves Forward" we find the following:

Commodity prices:
Steady at present; may be lower.

Iron and steel:
January output largest for some years. Looks like good year for industry.

Building:
First two months' total 50 per cent higher than same period year ago.

Foreign trade:
Good. January returns well above those of last year.

Employment:
Best on record at beginning of last month. Outlook exceedingly good.

Car loadings:
Larger for week of February 23 than in same week of 1928.

Stock market:
Displays good degree of strength. Company reports of favourable nature.

Credit:
Abundant for business. Banks withhold credit for stock speculation.

Agriculture:
Farmers in good financial position. Cheese exports in good volume. Live stock sales satisfactory.

Trend:
The new budget is uninspiring. Farming, mining and fishing industries benefit by tariff changes. Public debt is lowered. Dollar volume of business again increases. Wholesale and retail trade satisfactory in volume.

That does not look very much like what was forecast during 1926 and 1927; instead of the blue ruin we thought we might be facing from what hon. gentlemen opposite said, to-day under this government we have the conditions I have placed before you.

Many references have been made to the possible increase of the United States tariff; we hope that these increases will not materialize and we do not believe they will to any great extent. We realize that the United States is a country with which we want to trade; it is the natural market for the goods we have to export and we would like to have access to that market as easily and for as long as possible. However, in the event of the forecasts made by some American newspapers coming true and the tariff being increased, what possible benefit would it be to the people of Canada to increase our tariff by way of retaliation? This matter was dealt with yesterday by the hon. member for Lisgar (Mr. Brown), and he gave several illustrations. If we are shut out of the United States market we will not help ourselves by increasing our tariff and paying more for the things we bring into Canada; we will have to look for other markets. This government have been endeavouring continually to enlarge our markets and have our goods exported to countries other than the United States, and we must continue that policy. I say it would do us no possible good to increase our tariffs against the United States.

Over 50 per cent of our total exports are made up of agricultural and animal products; according to the trade summary for the twelve months ending with January, 1929, I find that the total export trade of Canada for that period amounted to $1,362,128,965. Of that

amount agricultural and vegetable products totalled $655,028,655 and animal products $162,-369,317, so the total of these classes of exports is more than 50 per cent of all our exports, and of the agricultural products exported grain makes up a big proportion.

Mr. CHAPLIN: May I ask the hon. member a question? Would he consider fish as being part of the animal products he mentions?

Mr. BOTHWELL: Ordinarily fish would not be so considered, but even if I take the figures given by the hon. member for South Wellington (Mr. Guthrie) when he analysed the budget, still I find that agricultural and animal products make up over 50 per cent of our total exports.

Mr. CHAPLIN: Would the hon. member consider furs as an animal product?

Mr. BOTHWELL: No, but I do class wheat, oats, cattle, beef, hogs and products of that sort as vegetable and animal products. We can exclude furs, fish and the other items mentioned by the acting leader of the opposition.

Mr. BRADY: What part of that fifty per cent referred to would come from wheat alone?

Mr. BOTHWELL: I have not those figures.

Mr. BRADY: I would like to know that.

Mr. BOTHWELL: I expect to continue my speech to-morrow and I will try to have that information for the hon. member.

An increased tariff on vegetable and animal products would not benefit the producer at all. We will not gain anything by putting up a tariff wall against the United States. Our wheat has to meet the competition of the world; our animal products practically have to meet the competition of the world, and what possible benefit are we going to derive from any increase in the tariff?

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, March 14, 1929

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 77, respecting the British Colonial Fire Insurance Company and to change its name to British Colonial Assurance.—Mr. Mercier (Laurier-Outremont).

[Mr. Bothwell.]

Bill No. 78, respecting a certain patent of Zebulum Colvin Ketchum.—Mr. Jacobs.

Bill No. 79, respecting a certain patent of Jean Baptiste Hurteau.—Mr. Duff.

PRIVILEGE—MR. POULIOT

Mr. J. F. POULIOT (Témiscouata): Mr. Speaker, may I be permitted to rise to a question of privilege? My attention has been drawn to a paragraph in an article headed "Glimpses of Parliament", in the Ottawa Citizen of March 12, which reads as follows:

For once, Mr. Pouliot, the Liberal member for Témiscouata, laid off Premier Taschereau, his particular bête noire.

May I say, Mr. Speaker, to quote St Augustine, I do not desire the death of a sinner but only his conversion. I only wish at times to correct some erroneous statements that come from the premier of Quebec.

May I say, Mr. Speaker, that the correspondent of the Citizen was mistaken, because in the speech that was delivered in this house on March 11, there is the following:

Some years ago at a banquet tendered to Hon. Senator Béland, a badly informed politician propounded this question: "How is it that in Quebec American potatoes are served on the table?"

May I say, Mr. Speaker, that it is always impolite and very bad manners for a guest to criticize the menu? But that transgression was made by Mr. Taschereau himself, and as his name was not mentioned, his reference to American potatoes was perhaps lost amongst the millions of hundredweights of Canadian potatoes that were referred to in my speech.

PRIVILEGE—MR. BLATCHFORD

Mr. K. A. BLATCHFORD (Edmonton East): Mr. Speaker, I would like to draw the attention of hon. members to an advertisement that appeared in last night's Journal in connection with certain mining stock that is being placed on the market. It is signed by a gentleman by the name of Richard A. McClymont, Investment Counsel, whatever that may be. In the advertisement he twice referred to me as recommending this stock to the hon. members of this house, to my friends, and to the general public.

I wish, Mr. Speaker, to point out, that I am not a mining broker, not a stock salesman, nor am I recommending any line of mining stock to any one. I have never met this gentleman up to the present moment. The only recollection I have of Mr. McClymont is when he grew famous overnight through his letters in the press a year ago in connection with the civil service. I believe a recommend-

ation from a man like Mr. McClymont would black the eye of any mining company, and would absolutely ruin the reputation of any member of this house, and I hope the Ottawa Journal will see its way clear to correct this impression.

REPORTS OF COMMITTEES

The fifth report of the select standing committee on railways, canals and telegraph lines. —Mr. Cahill.

The third report of the select standing committee on agriculture and colonization.—Mr. Kay.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): This will probably be the proper time, Mr. Speaker, for me to move the resolution standing in my name, as follows:

That when the house adjourns on Friday, the 22nd of March, instant, it stand adjourned until Tuesday, the 2nd of April, next.

I mentioned yesterday that I would ask the chief whip to see the other whips of the house and ascertain if it was possible to come to some agreement that would suit the convenience of all. That was a pretty large order, but I am told by the chief whip that if this resolution were amended to read: That the house stand adjourned until the 4th of April instead of 2nd of April, he is of the opinion, from the conversations he has had, that the resolution would meet with general acceptance. Having that in mind, I would ask the house to permit me to amend the resolution by changing the date from the 2nd of April to the 4th of April. The resolution would then read:

That when the house adjourns on Friday, the 22nd of March, instant, it stand adjourned until Thursday, the 4th of April, next.

The SPEAKER: Is it the pleasure of the house that the right hon. gentleman may have leave to amend his motion?

Hon. R. B. BENNETT (Leader of the Opposition): Before the motion carries, Mr. Speaker, I desire to observe that it was the consensus of opinion of those who sit to the left of the Speaker that we should have as short an adjournment as possible having regard to the late date at which the house convened, but apparently the chief whip of the government has concluded that what is now suggested best serves the interests of all. I have only to say that if a shorter adjournment were made it would be acceptable to those who sit to the left of the Speaker, but it appears to be important that the recess should begin on the 22nd, because of certain arrangements which some of the hon. members have made.

Motion agreed to.

PRIVATE MEMBERS' DAYS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have a further motion that may help to expedite the business of the house when we return. My hon. friend will I am sure agree that since the house opened remarkable progress has been made with the work of the session, and I see no reason why when we resume we should not make even better progress after a brief respite. I move:

That on and after Monday, 8th April next and all subsequent Mondays and Wednesdays until the end of the session, government notices of motions and government orders shall have precedence over all other business except questions and notices of motions for the production of papers.

In connection with that resolution I might point out that last year eight days in all were occupied in discussion of private members' motions. This year up to the present time, private members have had eleven days, so that no one will have cause to feel that this motion will deprive anyone of his rights.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I apprehend that the Prime Minister is content that this should stand as a notice of motion.

Mr. MACKENZIE KING: Yes.

Motion stands.

AGRICULTURE AND COLONIZATION

Mr. W. F. KAY (Brome-Missisquoi): Mr. Speaker, if I may have the unanimous consent of the house I will move, seconded by Mr. Sinclair (Queens):

That the third report of the committee on agriculture and colonization be concurred in.

Hon. R. B. BENNETT (Leader of the Opposition): This might stand as a notice of motion, Mr. Speaker.

Mr. SPEAKER: Stands as a notice of motion.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AUSTRALIAN WOOL IMPORTS, 1926-28

Mr. EDWARDS (South Waterloo):

1. What was the value of Australian wool imported into Canada for the fiscal years 1926, 1927 and 1928?
2. What quantity in pounds was imported during the same years?

Mr. MALCOLM:

1. Value of wool imported into Canada from Australia, years ended March 31, 1926, 927 and 1928:

	Dollars
1926..	384,533
1927..	279,065
1928..	167,321

2. Quantity of wool imported into Canada from Australia, years ended March 31, 1926, 1927 and 1928:

	Pounds
1926..	728,030
1927..	676,244
1928..	320,324

NOVA SCOTIA—INCREASED SUBSIDY

Mr. CANTLEY:

1. How much of the interim lump sum increase of $875,000 recommended to be paid the province of Nova Scotia by the Royal Commission on Maritime Claims has been paid up to December 31, 1928?

2. On what dates were the several payments made and what amount on each date?

3. Have any deductions from said payments of $875,000 yearly been made?

4. If deductions were made, what was the amount of such deductions and when were they so made?

5. On what authority were any such deductions made from the amounts so recommended to be paid?

Mr. ROBB:

1. $1,750,000.

2. June 30, 1927, $437,500; November 17, 1927, $437,500; July 3, 1928, $437,500; September 20, 1928, $437,500.

3, 4 and 5. It was decided to pay this special grant half-yearly with the regular subsidies on the 1st January and 1st July in each year. The special grant was first paid with the regular subsidy due July 1, 1927, when the two payments were made, less a deduction of $133,116.73, being reimbursement of expenditure for troops sent to Cape Breton on strike duty, under subsection 2 of section 84 of the Militia Act, which reads as follows:

"His Majesty may retain from any annual grant payable by Canada to such province and under the control of the parliament of Canada, any unpaid balance of moneys due to His Majesty by such province under the provisions of this section."

The second instalment of the special grant which was to have been paid on January 1 has, in each year, been paid earlier to accommodate the provincial government.

[Mr. A. M. Edwards.]

BLOOD INDIAN RESERVE

Mr. COOTE:

1. How much land on the Blood Indian reserve is in possession of the Indians for farming purposes?

2. How much land is now under cultivation?

3. How much land will be cropped in the year 1929?

4. How much seed wheat have the Blood Indians on hand for this purpose?

5. Is the amount of wheat on hand considered sufficient to sow all the land available in 1929?

6. Will the department advance seed grain to all Indians who prepared land for crop for the year 1929?

Mr. STEWART (Edmonton):

1. 197,207 acres.

2. (a) 7,813 acres cropped; (b) 942 acres broken; (c) 4,160 acres summer fallowed.

3. In addition to spring ploughing department estimates 5,552 acres will be cropped.

4. 9,900 bushels.

5. Additional 1,200 bushels may be required for spring ploughing.

6. Yes.

WORSTED YARN IMPORTS—1926-28

Mr. EDWARDS (Waterloo):

1. How many pounds of worsted yarn were imported into Canada during each of the years 1926, 1927, and 1928, from Great Britain?

2. How many pounds of worsted yarn were imported into Canada during the above-mentioned years from other countries, and what amount from each?

Mr. MALCOLM:

1. Quantity of woollen and worsted yarns imported into Canada from the United Kingdom, years ended December 31, 1926, 1927 and 1928:

Years	Pounds
1926..	3,235,007
1927..	3,554,224
1928..	4,775,493

2. Quantity of woollen and worsted yarns imported into Canada from other countries, years ended December 31, 1926, 1927 and 1928:

Countries	1926 Pounds	1927 Pounds	1928 Pounds
Belgium.	27,920	23,870	17,071
France..	108,320	152,078	129,200
Germany.	362	917	1,211
Greece...	.....	18	85
Netherlands. ..	250	.....	.....
Turkey..	.....	.....	169
United States..	23,786	28,803	2,648

Note:—Impossible to segregate imports of worsted yarns from other woollen yarns. During the years ended December 31, 1926 and

1927 the quantity of worsted yarns exported from the United Kingdom to Canada was:

Years	Pounds
1926..	1,667,500
1927..	1,680,985

BEAUHARNOIS LIGHT, HEAT & POWER CO.

Mr. CHURCH:

Who are the directors, chief officers, shareholders and bond holders of the Beauharnois Light, Heat and Power Company, to whom the Government issued a permit under the Navigable Waters Protection Act?

Mr. ELLIOTT: No information. Company is under provincial incorporation.

BOUNTY ON COKING COAL

Mr. CANTLEY:

How much money was paid by the Dominion by way of bounty on Canadian coal used in the production of coke in coke ovens situate in Halifax, Montreal, Quebec, Toronto, Hamilton, or in any other Canadian coke oven plants, during the year 1928?

Mr. STEWART (Edmonton): No payments made during the fiscal year 1928-29.

B.C. LUMBER—SHIPPING SERVICE TO AUSTRALIA

Mr. NEILL:

1. Have representations been made to the government on behalf of the lumber interests of British Columbia, urging the necessity of inaugurating or encouraging a steamship service to Australia of boats suitable for carrying lumber, to endeavour to secure a better share of the Australian lumber market than we now possess?

2. What action is contemplated by the government?

Mr. MALCOLM:

1. Yes.

2. The matter is now receiving the consideration of the government.

SHERBROOKE FARMERS—COMPENSATION FOR SLAUGHTERED CATTLE

Mr. HOWARD:

1. Has the attention of the government been called to the serious situation of farmers in the county of Sherbrooke, whose herds have just been tested and a large percentage of their animals gone down under the test?

2. Will anything be done immediately to supply these farmers with money to enable them to purchase new stock rather than abandon their farms?

3. As money for this is not available until after the estimates are voted, can anything be done in the meantime?

Mr. MOTHERWELL:

1. Yes, to some extent.

2. The department regrets it is not in a position to pay any compensation due for cattle condemned under the restricted area policy as its funds for this purpose are exhausted.

3. No. Nothing but wait patiently.

CANADIAN NATIONAL RAILWAYS—PASSES

Mr. GOTT:

1. How many annual or trip passes were issued by the Canadian National Railways and the Department of Railways and Canals to other than employees of the Canadian National Railways, other railways, senators, members of the House of Commons and their families, during the year 1928?

2. To whom were passes issued?

3. What was the occupation of those to whom passes were issued?

Mr. GOTT: Dropped.

POSTMASTER AT SIMCOE

On the orders of the day:

Mr. H. A. STEWART (Leeds): Mr. Speaker, I should like to draw the attention of the Postmaster General (Mr. Veniot) to the return which was placed on the table recently in connection with the dismissal of Mr. Whittaker, postmaster at Simcoe. This return does not appear to be complete. Will the Postmaster General have any objection to placing the original file on the table?

Hon. P. J. VENIOT (Postmaster General): I may say, Mr. Speaker, that I gave orders for all the original file of correspondence to be placed on the table. If it is not complete, I will look into the matter.

Mr. STEWART (Leeds): I am not saying that all the correspondence is not in the return; but all the relevant documents are not included.

Mr. VENIOT: I do not think any official of the department would take off the file any documents that should be laid on the table of the house.

Mr. STEWART (Leeds): May I assume that the Postmaster General has no objection to laying the file on the table? That is what I want to know.

Mr. VENIOT: The original file is on the table.

LOWER DETROIT RIVER LIGHTS AND BUOYS

On the orders of the day:

Mr. E. J. GOTT (South Essex): Mr. Speaker, yesterday I apprised the Minister

of Finance (Mr. Robb) that to-day I proposed to make an inquiry of the Minister of Marine and Fisheries (Mr. Cardin). In his absence I should like to get some information from the acting minister as to the contract for lights and buoys in the lower Detroit river for 1929. Has the contract been made? If not, will the minister instruct that this be done as formerly by calling for tenders?

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, on behalf of the Minister of Marine and Fisheries and in his absence, I beg to give the house the following memorandum which I have received from his department:

The contract for the maintenance of the lights and buoys in the lower Detroit river entered into in March, 1926, for a period of three years, expires at the end of March, 1929. The said contract was a renewal of a previous contract concluded in 1923. Having regard to the importance of the service and to the satisfactory manner in which the work has been carried out by the present contractor since 1920, and also to the reasonableness of the price which was established by public tender, the Department of Marine and Fisheries has recommended a renewal of the present contract at the rate established by tender. The contract, however, has not yet been renewed.

POSTMASTER AT KITCHENER

On the orders of the day:

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, might I ask the Postmaster General (Mr. Veniot) if he will be good enough to lay on the table all papers in connection with the recent dismissal of the postmaster at the city of Kitchener?

Hon. P. J. VENIOT (Postmaster General): I have no papers, Mr. Speaker, in connection with the dismissal of the postmaster at Kitchener.

Mr. GUTHRIE: Might I ask if he has been dismissed?

Mr. VENIOT: He has not. His case is being considered. Perhaps that is enough for the present.

BOARD OF GRAIN COMMISSIONERS—HYBRID GRAIN TICKET

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, could the Minister of Trade and Commerce (Mr. Malcolm) give the house any idea when the return asked for on the 20th of last month with regard to correspondence between the board of grain commissioners and his department will be laid on the table?

[Mr. Gott.]

Hon. JAMES MALCOLM (Minister of Trade and Commerce): I may advise my hon. friend from Bow River (Mr. Garland) that this correspondence was laid on the table to-day.

Mr. GARLAND (Bow River): Thank you.

THE THUNDERER

On the orders of the day:

Mr. O. L. BOULANGER (Bellechasse): Mr. Speaker, I desire to ask the Postmaster General if in view of the desirability of preserving a good understanding between people of different religious beliefs in this country, he does not propose to bar from the mails a sheet called The Thunderer, published in the city of Toronto?

Hon. P. J. VENIOT (Postmaster General): My attention has been called to such a sheet, but before coming to any decision as to barring it from the mails, I should like the legal officials of the department to have an opportunity to examine it and see whether it should come under the ban or not. The matter will be looked into.

SOLDIER SETTLEMENT IN BRITISH COLUMBIA

On the orders of the day:

Hon. ROBERT FORKE (Minister of Immigration): Mr. Speaker, on Monday last the hon. member for Fraser Valley (Mr. Barber) drew my attention to what he termed a serious state of affairs which appears to exist among the soldier settlers in a certain section of British Columbia. He read an extract from one of the leading Vancouver papers, headed:

Say soldier settlers are starving here.

Instead of repeating the article perhaps it will serve the purpose if I read to the house the following statement. I immediately wired the superintendent at Vancouver in regard to this matter and I shall now read his wire in reply:

Reference your wire date extract from newspaper apparently refers question of milk assignments brought up at annual meeting Fraser Valley Milk Producers Association held last week (Stop) Some settlers wish set aside assignments and press report indicates committee to be appointed interview board regarding matter (Stop) Interview not yet requested (Stop) Statement that settlers are starving gross exaggeration (Stop) Have always followed policy of refunding monthly milk payments where settlers circumstances appeared demand it (Stop) Agitation originated from few settlers evidently anxious sidestep obligations to board (Stop) Possibly also result of dissatisfaction because some settlers evading

assignments by shipping in wifes name (Stop) Same question raised at meeting of association last year and explanations to president apparently satisfactory as matter dropped.

THE BUDGET

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

The house resumed from Wednesday, March 13, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment thereto of Hon. Hugh Guthrie.

Mr. C. E. BOTHWELL (Swift Current): Just before the house closed yesterday evening, two or three questions were asked from the other side, particularly by the hon. member for Skeena (Mr. Brady) and the hon. member for Lincoln (Mr. Chaplin). In reply to the hon. member for Skeena, I wish to inform the house that the statistics I gave yesterday were from the summary of the trade of Canada for January 1929 and for the twelve months ended January, 1928 and January 1929. The question was as to what proportion of our Canadian export trade consisted of wheat. In reply to that question, I may inform the hon. member that the proportion amounts to about 32 per cent. The question was also asked as to whether fish and furs were included or should be included with animals and animal products, and in answer to the hon. member for Lincoln I said that I did not consider these articles as coming under that heading; but even excluding them, the figures I gave still hold good. I want now to inform the hon. member further that from the exports enumerated yesterday we can eliminate not only fish and furs but also beverages, tobaccos, rubber and rubber goods, fruits and vegetables and still the proportion of the export trade of Canada, made up of agricultural and vegetable products and animals and animal products, is over 50 per cent. With regard to those items that are excluded, I cannot possibly see how industry in Canada could be benefited by the placing of a duty on fish and furs, for instance, the two items referred to by the hon. member. In that connection it might also be of interest to the house to note, from the preliminary report of the trade of Canada for 1928, that our percentage of exports of raw material, excluding grains, fresh fruits and vegetables, seed and raw tobacco, has steadily declined. In 1900 the percentage was 28.8 per cent and in 1927 it was only 12.4. Our export of raw material has been steadily going down, whereas in the same report you will find that the American percentage has increased.

Mr. BENNETT: Would the hon. gentleman think I was trespassing on his time if I asked a question? Does he realize that in that report we classify as raw material what in other quarters is classified as manufactured material? Take blister copper, for instance; we treat it as an export of manufactured or partly manufactured products, instead of its being classed as raw material.

Mr. BOTHWELL: There may be something in what the leader of the opposition says. However, on that particular page of the report, which came to me only this morning—page 15—the export trade of Canada in raw materials is compared with that of the United States. Now, following what I said yesterday, I have looked over the trade of Canada, with particular reference to the imports dealt with by the hon. member for Fort William (Mr. Manion), and I find that among the imports into Canada for consumption the largest single item, upon which the opposition apparently believe there should be an increase in the tariff, is that of iron and its products, amounting to $330,953,152. I took occasion to ascertain what the production of Canada was of iron and its products, and I also looked up the report to see what our exports were. As I say, we import $330,953,-152 and export $73,070,054 of the same class of products, leaving a net import of $256,883,-098. Our production in Canada, according to the report for the year 1927, the latest report I could obtain—and for 1928 I believe it will be considerably higher, judging from the newspaper reports—was $525,921,839, making a total consumption of $782,804,937. The proportion of imports amounts, therefore, to hardly 33 per cent.

Mr. STEVENS: Does not the hon. gentleman realize that a substantial portion of these imports, by the re-manufacturing process, enters into the item given for production? He is counting them twice.

Mr. BOTHWELL: That may be; no doubt a percentage of the imports goes into that process. Nevertheless the percentage of imports to our total consumption— and we import manufactured goods as well as raw material in that total I gave—is as I have stated. Now that is a pretty fair record for an industry which does not appear to be native to Canada, because we import a considerable amount of raw material. It is true, as the hon. member for Fort William says,

that we have in Canada raw material which might be made use of. At the hearing before the tariff board of the applications made by the manufacturing concerns in respect to iron and steel, a statement was made, as appears in the brief of the Algoma Steel Corporation Limited which was filed in connection with that application. They give a schedule at the back of their brief in regard to the use of Canadian ore, and I wish to read this particular clause from the first column:

There are in Canada reserves of iron ores of excellent metallurgical quality, and large tonnages of the these ores are available and contiguous to the Great Lakes water system, and therefore in a position to be cheaply conveyed to the consuming centres, which are also situated adjacent to the same water system, but all the known deposits of ores located in this district require beneficiation before they can be used in the blast furnace. The cost of beneficiation is in excess of the cost at which American lake Superior ores can be laid down at Canadian furnace docks at the present time, and therefore governmental assistance in the way of bounties would be required to firmly establish a Canadian iron ore industry.

Then I read from the evidence taken on that same reference to the Advisory Board on Tariff and Taxation; this is reference No. 2, the resumed hearing held on November 27, 28 and 29, 1928. At page 25 of the printed proceedings I find the following statement:

. . . . until increased mining costs in the American iron ore fields force the price of ore well beyond present levels, we will be unable to proceed with the development of this important future source of supply.

That was the statement made before the tariff board. If the situation in Canada is such that it is going to cost us considerably more to use our own ore and coal in order to manufacture iron and steel, surely at this time it is good business for us to get our iron and steel from some other place; otherwise we would take the money from the pockets of people who can ill afford to pay it and place it in the pockets of other people who possibly do not need it. If we in Canada are producing about 66 per cent of our own consumption of iron and steel products it does not appear to me that our importations will affect us seriously.

In connection with this same hearing, and after listening to the remarks made in this house from time to time in favour of increased protection, I was somewhat surprised in reading the record of this hearing to find that the representatives of the manufacturers were not agreed among themselves on this question of tariff. The hon. member for West Hamilton (Mr. Bell), who represented Dominion Foundries and Steel Limited said:

We are of the opinion that the removal of tariff from pig iron for steel making and the placing of compensating tariffs on more highly finished steel will increase the production of pig iron in Canada as a part of steel making operations, therefore, no harm results.

Mr. Moffat, of Moffats Limited, in answer to a question put to him by the chairman, said:

. . . . I do not understand what they mean by making pig iron free. I do not want to see pig iron from the United States free, but free from Great Britain.

Mr. Sherman, of Dominion Foundries and Steel Limited, said:

We also want it free from Great Britain, but we do not want to discriminate in our tariff.

Then I find the following:

The Chairman: Do you think, Mr. Bell, the tariff should be free in pig as against the United States?

Mr. Bell: That is our proposition.

The Chairman: You remember the proverb about the ill wind. Am I to understand that there is no objection to free pig iron?

Mr. Bell: So far as this brief is concerned.

Mr. Long (Dominion Iron and Steel Company): Personally I should prefer not to answer that question offhand.

Mr. McInnes (Dominion Iron and Steel Company): I would say, no.

Mr. J. D. Jones (Algoma Steel Corporation): We are opposed to pig iron coming in free of duty; at any rate we do not believe it should be lowered any more than it is now.

If we have a number of manufacturers coming to the tariff board with no more unanimity than is shown from this evidence as to whether or not there should be an increase in tariff, I think it would be pretty hard for an economic conference such as has been suggested to arrive at anything definite in that respect. If a few of our manufacturers cannot agree among themselves on one particular item, with the varied opinions existing in Canada with respect to tariffs I am afraid an economic conference would not get very far.

Another item which has been stressed very often in this house is fruit and vegetables. I am not going to spend very much time on that subject, but I will say that I was rather interested in the bulletin read the other evening by the hon. member for Yale (Mr. Stirling) during the course of his remarks, the bulletin whose author he refused to name. After reading the speech of the hon. member I do not know whether that bulletin was sent to some dealer in the United States or where it was sent; there is nothing in his speech to indicate that. All I can see is that some fruit and vegetable exporter in the United States seems to have issued a bulletin in connection with some fruit damaged by

hail. However, I do know that so far as the people on the prairies are concerned, the people who constitute the natural market for British Columbia fruit, they cannot afford to pay anything more for fresh fruit than they are paying at present. If it should be the policy of the people of British Columbia or of this government to increase the tariff on fruit coming into Canada it would simply curtail the consumption of fruit on the prairies. Fruit has come to be recognized as one of the necessities of life, and surely we are not going to be compelled to pay more for it or else deprive our families of fruit entirely. Last fall you could not go into any fruit store in western Canada and buy the best British Columbia fruit; I do not know what they do with it unless they export their best and ship to the prairies only the third and fourth grade fruit. All we could buy were C grade apples; if we wanted a good apple we had to buy one which came from some place in the United States, because there is very little eastern fruit in that market. Whether or not this is the fault of the marketing board of British Columbia or whose fault it is I do not know, but I do submit that an increase in the tariff certainly will not benefit the people who have to consume British Columbia fruit, and I believe the fruit growers of that province are banking too much on what the government can do for them. When you consider that the consumers on the prairies must put up with low grade crops, with consequent low prices, you can easily realize that the amount of money available for anything which might be classed as a luxury is very limited.

Last fall in western Canada, while we had a big crop it was not a paying crop; in looking over the newspaper reports in connection with the crop last year I found some very interesting figures in a Winnipeg paper of October 23, 1928. That day there were inspected in Winnipeg 2,341 cars of wheat; of that number there were only 29 cars of No. 1 northern, 272 cars of No. 2, 412 cars of No. 3, 468 cars of No. 4, 401 cars of No. 5, 461 cars of No. 6 and 183 of feed. The prices ranged from $1.21½ for No. 1 northern to 72½ cents; over 1,500 of these cars were sold at prices averaging 86 cents per bushel. Then you have to pay the freight out of that, which meant that the average to the farmer for the 1,500 cars amounted to less than 70 cents per bushel. It is impossible for a farmer producing wheat at seventy cents a bushel to have much money to spend on luxuries, and I submit it would be a crime to compel him to pay more than he now does for the fruit he wishes to purchase for the benefit of his family. The plea of the British Columbia people in asking for these legislative enactments is very well met by an article in the Financial Post of March 8, 1929. This article quotes Mr. T. H. Kirk, one of Vancouver's ablest business men, a financier of experience, as follows:

> Our legislative efforts should be directed toward assisting the producer to find wider outlets for his goods. The orient is an important field. There is every opportunity for reciprocal trade within the empire; but if our producers are hampered by legislation based on entirely wrong principles our cost of production is going to be too high. If, on the other hand, we encourage production by not only assisting to find markets, but by developing by-products to deal with the surplus, we are adopting a constructive attitude toward the entire productive capacity of the people.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): Mr. Speaker, it is always with considerable satisfaction that one rises to compliment the Minister of Finance (Mr. Robb). He has on this occasion, as on previous occasions, presented a concise, easily understandable statement of the nation's business. I can also compliment the member for South Wellington (Mr. Guthrie), who gave the official criticism, in that he paid the Minister of Finance the tribute of having supplied statistical information as to the nation's accounting which removed from the field of controversy many subjects which had in previous debates occupied much of the time of the house.

Having had the pleasure of listening to the remarks of the official critic of the opposition, and having taken the time to read his remarks over carefully, I would say that when we eliminate the political thunder his observations and criticism can be boiled down to three statements. First of all, he admits that the country is in a prosperous condition; secondly, he admits that that prosperous condition is due largely to the intervention and assistance of a benign Providence and takes most of the credit from the government; in the third place, he goes on to show that if the party to which he belongs were in power Providence would not have had to play such a large part, and that there would have been a greater general distribution of the prosperity which he admits.

No one can disagree with the first observation that the country is reasonably prosperous. I think anyone who disagreed with that statement would be placing himself on record as being against every known authority in the Dominion of Canada; he would be placing himself against a unanimity of public opinion such as has never been equalled.

When he comes to the second point, that Providence deserves the credit and this government deserves none, I think he is going beyond the limit of fairness. I do not think I would yield to the hon. member in my respect and thankfulness for the bounties of Providence, but I would like to point out that Providence to-day, as in the past, is very good at helping those who look after themselves. Providence provides opportunities for an industrious man to profit by the bounties provided. Our great agricultural production is the result of scientific research on soil culture, careful working of the land and a certain amount of seeding. Providence provides no harvest of wheat where none is sown. Providence provides the soil which a man may work and from which he may reap the benefit. Providence does not mine, concentrate and refine any ore in our great mining areas.

Mr. MANION: Does the government?

Mr. MALCOLM: Providence provides opportunities whereby the wealth may be taken out of the soil through the engineering skill of man. Providence does not develop any hydro-electric energy from our streams. Providence provides the means whereby man, through his engineering ability, can take wealth from nature in that way. Providence provides no pulp wood mills in the forest, but provides the opportunity for industrious and intelligent people to profit by that wealth. The credit for the development of Canada's wealth is due to the industry of her people guided by wise leaders in governments, both provincial and federal.

Then we come to the hon. member's third point, that were his government in power things would be so much better. The hon. member said that the policies of this government had caused a decided concentration of the wealth of Canada in the urban centres. The memory of hon. members of the house would indeed be short if they could not recall the speeches which were made in this chamber during the years of 1922, 1923 and 1924. At that time it was said by hon. gentlemen opposite that if the government continued in its policy of legislating only for the basic producers our cities would diminish in size, industry would languish and there would be a greater flow of Canadian labour to American industrial centres. We were told at that time that our whole policy was against the industrial centres, but the wisdom of that policy of helping the basic producers has been shown by better figures in business, in banking and in transportation. The hon. member has said that the government has neglected the interests of the agriculturist and the worker, and proceeded to say that certain policies in which he believed would work to better advantage in distributing the national wealth. There are certain economic statistics which I do not think indicate any concentration of wealth, but rather a distinct distribution. I would like to place on Hansard one or two of these facts as an illustration of my argument. Statisticians the world over have paid a great deal of attention during the past few years to the records of car loadings as representing the movement of tonnage and the business which is carried on within a nation. Every division of the Canadian Pacific and Canadian National railways shows an increased tonnage. Some parts of Canada show a greater increase than others, but the growth has been general. The hon. member gave great credit to the managements of the Canadian National and Canadian Pacific railways for the very healthy condition of their finances, and I think he was correct. Their healthy condition was brought about by one thing, and one thing alone: They handled a sufficient tonnage to enable them to earn money and thus put themselves in that position. I think it was in 1923 that the railways began to keep a record of their car loadings. The first records show that 2,851,000 cars of freight were moved in the Dominion of Canada during 1923. Five years later, in 1928, the number of cars of freight moved by our two great railway systems had increased to 3,696,000, an increase of 845,000 cars, or 30 per cent. My hon. friend realizes also that the increase was greater than 30 per cent, because during the past five years there has been a tendency to use a very much larger car and I think it can safely be said that during that period the per mile tonnage of the two great railway systems has increased by about 40 per cent. It cannot be otherwise than that this increase in tonnage has helped employment in the transportation systems; there must be a very greatly increased employment by the Canadian National and the Canadian Pacific to have handled this amount of tonnage, and as railway tonnage represents the labours of other people who produce it, there must of necessity have been a corresponding increase in employment to produce the tonnage referred to.

I think the hon. member for South Wellington said that unemployment in Canada stood at six per cent some years ago—I have forgotten the date—and that in February of this year it stood at exactly the same figure. It would seem as though he wished to leave the impression that there is to-day as much unemployment in Canada as there was then. My hon. friend knows quite well, as does

every other hon. member, that one of the great problems of the Dominion is that we will always face a certain degree of seasonal unemployment. The United States of America is said to-day by the statisticians to have somewhere between 10 and 15 per cent of permanent unemployment, and this is a subject of very serious consideration in Washington. There are always 2 or 3 per cent probably wilfully unemployed; there are always in every country in the world men who are registered as unemployed and who are still retaining their jobs hoping to get better ones. We had a great deal of that in Canada right after the war, but the figures of industrial employment as furnished to the bureau by industrialists throughout the Dominion disclose a state of employment which is a credit to the industrialists and to the whole of Canada and it is a figure of employment that corresponds very closely to the figures of car movements by the Canadian railways. Using the 1914 figures as a basis of 100, we have it actually recorded by industrialists that in February, 1927, the index number was 96.6, or 3.4 below the average of 1914. In 1928 it stood at 102 and it now stands at 110, showing an increase of 20 per cent in the number employed in industry as compared with that of three years ago. I do not think one can ask for more conclusive evidence than the corresponding relationship between our car loadings and our record of employment as provided by the industrialists themselves.

The industrial and urban life of Canada has undoubtedly prospered by the additional buying power of our people. If the movement of freight were entirely concentrated in Ontario and Quebec, my hon. friend's contention might be well founded, but this is not so. The tonnage of British Columbia and the prairies, the tonnage of the maritime provinces as well as that of Ontario and Quebec have correspondingly increased. Therefore I think it can be shown that with the increase of car movements and of employment, there must have been a general condition of prosperity.

My hon. friend refers to this government as being a financial one; he says that we are interested in the big financial corporations. May I point out to him that much of the phenomenal growth of building in the last few years in all our cities has been due to the necessity of providing homes for our workers who have been receiving better wages and more continuous employment than they did in the past? The building program of the past year has been the highest on record in the Dominion and I do not believe there is any other country in the world where there is a fairer or better relationship between employers and employees. I do not think there is any other country where the average worker is living under better social conditions as regards the type of home he has, and the facilities for education and transportation. What my hon. friend was trying to point out I cannot tell. We find, however, that the people of Canada during the past few years have, in addition to providing better homes for themselves, spent more money on motor cars and other luxuries than ever before. Therefore, if spending money on luxuries indicates any measure of prosperity, I think it can be shown that prosperity is general. It might be contended that if the average Canadian citizen spent so much on luxuries there could not be much left for savings, but during the past few years savings have risen to somewhere about $1,526,000,000, a gain of $144,000,000 in two years. Savings in savings deposit accounts in chartered banks do not constitute the principle form of saving in which the average person invests. I think more men are to-day investing in life insurance as a form of saving than in any other. We have the illustration of the Dominion having built up the enormous total of $5,609,000,000 worth of life insurance in force from the figure of $2,935,000,000 in 1921, or an increase of almost 100 per cent. If the people of Canada have been able to increase their savings in the past two years by $144,000,000, have in the past five years increased their life insurance in force by about $2,500,000,000 and have been able during that time to give as much business as they have given to Canadian industry for its products, by purchasing motor cars and comforts beyond what were considered comforts in the past, surely my hon. friend cannot be right in his contention that the worker has not prospered under this government's policy.

My hon. friend also contended that in some particular cases the policy of the government was inconsiderate, shall I say?—or at least thoughtless with regard to the agriculturist, and the particular illustration used was the dairy industry. From what my hon. friend said one would imagine that the dairy industry was in anything but a flourishing condition. My hon. friend endeavoured to place the blame on the New Zealand treaty; he said that if it were not for the treaty between Canada and the sister dominions of Australia and New Zealand, all would be well with the dairymen. My hon. friend's contention is not very wise when the matter is dealt with as one of international or empire trade. It is true that in recent years the production of

cream, butter and cheese in Canada has diminished, but this is due to the growth of production in miscellaneous dairy factories. The quantity of condensed milk, evaporated milk and skim milk powder has increased from 59,500,000 pounds in 1922 to 95,400,000 pounds in 1927. The dollar value of those two figures is quite interesting. In 1922 we produced those three commodities to the value of $29,694,000 and we have to-day a production of $44,678,000. The production of dairy butter in Canada was less in 1928 than it was in 1927. But Canada was already an importer of butter in 1927. Our exports of fresh milk and other products of the dairy factories which I have mentioned, the condensed milk group, have proved more profitable to the average farmer in the Dominion, than the manufacture of butter, even though butter has maintained in the export markets a fairly high level of price. I have the prices here. The export price of butter in 1926 was 34.2 cents. In 1927, it rose to 39.6 cents, and in 1928, to 40 cents. The advance of domestic prices shows a correspondingly high return. The facts are that in spite of the relatively high value of butter our farmers chose to sell their butter in other forms, other forms for which they received more money.

I contend, Mr. Speaker, that there is absolutely no loss to the dairying industry because our farmers are milk producers in other forms, exporting to other countries, in forms for which they get a better return, exporting over $30,000,000 of milk products. May I ask this question, Mr. Speaker? There are certain areas in Canada, such as the Fraser valley of British Columbia, where my hon. friends from that province know that they have turned their production very largely into condensed milk. They are shipping a very excellent quality of condensed milk to China. The British army of occupation in China is using condensed milk from the Fraser valley. Many of these producers must find it more convenient to sell their milk in that way than to make butter at home.

But there is another side to this New Zealand butter question which I wish to call to my hon. friend's attention. Our department is looking after the interests of the trade of Canada by building up an export of as highly finished goods as possible. The commonwealth of New Zealand, with its small population of a million and a half, does not offer much opportunity for a protective tariff. As a matter of fact, New Zealand imports practically all of its manufactured goods. The goods which it has to sell, due to the very favourable climate, are largely pastoral products such as wool, frozen meats, butter, cheese and hides. Our exports to New Zealand were quite substantial. One has, first of all, sir, to consider this question: Do we want to trade with New Zealand at all, or not? Do we want to get $15,000,000 worth of manufactured goods into New Zealand? If we do want to trade with New Zealand there is only one thing that New Zealand can sell us. We might just as well be frank as business men, and recognize that fact. I think it can be shown that our exchange of products is very profitable.

Mr. Speaker, our exports to New Zealand cover quite a considerable range of products. We sold New Zealand rubber boots, rubber tires, automobiles and automobile parts. We sold them shoes, farm implements and many other articles. May I ask my hon. friend this question with regard to his criticism of New Zealand trade? The $15,000,000 which came to Canada provided, as I propose to show in a moment, a considerable pay roll for Canadian industry. Does my hon. friend think that the men who produced these manufactured goods for New Zealand did not eat some of the butter imported? Did they not provide some buying power in Canada in producing those goods? Were not they themselves, by virtue of the trade, able to take some of the butter which New Zealand says is all it has to give us in return for manufactured goods? I think my hon. friend will admit the logic of this.

There is another point on which my hon. friend criticized the government, and that is for allowing the cost of living to go up. I do not think my hon. friend said that the cost of living went up; I think he said it had remained stationary.

Mr. BENNETT: A trifling increase.

Mr. MALCOLM: In any event, he criticized the government in that respect. Now, Mr. Speaker, I contend that my hon. friend is not very consistent. He says: Keep New Zealand butter out of Canada. He also says, Give the farmer a high price for his butter, but keep the cost of living down. I do not see that my hon. friend can think anything else but that his is a very inconsistent argument. After all, however, it is only in line with other arguments used. My hon. friend said: You are injuring the job of the worker in the Dominion of Canada by importing $39,000,000 worth of agricultural implements. Quite so. It is a large amount of farm implements to import, and he led this house to believe that if the methods which he would adopt were followed this thing would not be. But I have before me, Mr. Speaker, a list of the imports of agricultural implements. It is

an interesting list. My hon. friend remembers that when he was in the house a few years ago, and the party to which he belonged was in power, his government removed every single per cent of protection on tractors coming into this country from the United States. They did not leave one per cent of protection for tractors. I am not blaming my hon. friend; it was done in the interest of the farmer, but he cannot argue both sides of the question at the same time. He was in a government that put tractors absolutely on the free list, and of this enormous list of $39,895,000 worth of implements now coming in, I find that $21,000,000, or more than half of the whole, consists of tractors and their parts. I have nothing to say as to the advisability of the action of my hon. friend in doing this, but I do not think my hon. friend is so unfair that he will say to this government: You alone are responsible for doing this thing, and you are injuring the workers, when his government did the very same thing that this government did in considering the interests of the farmers in lowering the duty on implements of production.

I want to mention the speech of my hon. friend in one more respect. He presumed to criticize the extravagance of this government, and he made a rather unfortunate selection in criticizing the expenditures of the Minister of Public Works (Mr. Elliott) when he referred to the historical riding of North Bruce which I have the honour to represent in this house. My hon. friend showed the same lack of knowledge of Bruce that he did of the Scriptures when he substituted Macedonia for Damascus. I would like to point out to the house, Mr. Speaker, that the hon. gentleman failed to mention two of the largest industrial towns in the riding, the towns of Southampton and Wiarton, a district which incidentally at the moment is of such importance to the Hydro-Electric Power Commission of Ontario that a very strenuous battle is being waged as to who shall have the sale of power in that district. My hon. friend said that only seventeen boats cleared from ports in Bruce. The seventeen clearances referred to are self-unloading coal vessels that unload about thirty thousand tons of coal at Kincardine, much of which is used by the Canadian National Railways. My hon. friend is an Ontario man, and he knows that although the great lakes constitute the greatest inland avenue of water-borne traffic in the world, and have double the tonnage of the Panama or Suez canals, the people around the north end of lake Huron and surrounding Georgian bay have not asked this parliament for a single dollar by way of subsidy. There is not one subsidized steamship service. All around the district represented by my hon. friend from Parry Sound (Mr. Arthurs), all around the north of my constituency, the fishermen and farmers have only one outlet for their products. All the steamship services are run privately, and have not asked this government for any subsidies. All that these people ask are grants towards the maintenance of their harbours. Referring to Tobermory, I may say that this is the finest natural harbour on the great lakes. My hon. friend from South Wellington is on sound ground in stating that Canada might well provide life-saving facilities at this point for the great lakes shipping. But it would be useless to attempt it on a small scale, and it would cost millions to provide it on an adequate scale. Tobermory is the base for wireless operations, and accordingly messages are brought there in time of disaster. The harbour will accommodate any size ship; there is no need of dredging. All this government spent was to provide a small public dock for the accommodation of the ships that anchor there. Reference has been made to an expenditure of seventeen thousand dollars at Lion's Head. From this village the products of the farm and fisheries are shipped by steamers. I do not know what the trade there amounts to, but I do know that sixty thousands dollars' worth of fish is shipped from Tobermory. To Lion's Head a regular line of boats sails weekly from Owen Sound and Wiarton and thence via Tobermory to the south shore of Manitoulin island, carrying fishing and farming products. The harbour had to be dredged and the dock repaired. Really seventeen thousand dollars is a very small contribution for the Dominion to make to assist this trade in fishing and farm produce. Apparently my hon. friend does not realize that the premier of Ontario views the district in an entirely different light. The province is spending tens of thousands of dollars every year to provide good roads in the district. I believe it is money well spent, for it will allow transportation through a district where it would not be profitable to build a railway. I do not think my hon. friend would care to be quoted as saying that if he were in power he would cut off public expenditures in these outlying ridings; certainly I would not like to be so quoted. He inferred that such expenditure was a big price to pay for my presence in this house. But let me tell him that the people of Bruce do not elect their representatives on the strength of what those representatives may be able to do for the riding by way of securing public works.

However, they have the habit of electing representatives who do get public works where the works are required. So far as I am concerned, I know that the expenditures which have been made in my riding are fully justified.

Now, Mr. Speaker, may I mention a subject with which Providence has not much to do; nor do I wish to give all the credit to the government. I refer to the export trade of Canada. I do not believe there is a man in this house who is not in absolute agreement with me—that the more highly finished the state in which we can export our products the more profitable will be the results to the country. The Department of Trade and Commerce is not exercised over the sale of such commodities as wheat, because those commodities find their own markets; but we are interested in assisting the sale of manufactured products. My hon. friend the leader of the opposition is quite correct in saying it is a difficult matter to draw an arbitrary line between what are manufactured and what are semi-manufactured goods, but our exports of manufactured and semi-manufactured goods last year represented a total of $648,000,000. Very few people can visualize the immensity of this volume of Canadian trade. Last year the United States—with a population of 120,000,000—shipped $4,758,000,000 worth of goods; the United Kingdom $3,451,000,000; Germany $2,432,000,000; France $2,164,000,000. Canada stands twenty-seventh in population among the nations of the world, yet she stood fifth exporting to other countries $1,216,000,000 worth of goods, of which $648,000,000 was either in semi- or fully manufactured form, that is had been through some degree of processing.

An article may be manufactured in so far as the industry that produces it is concerned, but it may be the raw material for some other industry. Copper blister, mentioned by the leader of the opposition, is a good illustration of this. We import from the Argentine large-size hides. I think the hon. member for South Wellington referred to this importation. These hides are tanned in Canada, and shipped to Chicago to the harness-making plants. The large hides are purchased in order to give better cuts. That is a manufactured commodity export so far as Canada is concerned; it is a raw material import so far as the United States is concerned because it is bought as raw material for harness-making.

I wish to point out the value of our export of manufactured goods. The ratio of labour to the value of the goods going out of the factories of Canada is shown to be 43.8 per cent. Hon. gentlemen who know something about industry are aware that overhead represents largely labour, expenses of sales force, advertising, bookkeeping, and so forth. All the raw material originating in Canada which goes into the factory as raw material is a finished product to the industry that produces it; therefore it represents labour. A very careful estimate—and I think it is extremely conservative—shows that for every dollars' worth of manufactured products exported from this country fifty cents is spent in the Dominion on labour in some form or other. On this basis our total of manufactured exports represents an expenditure on Canadian labour of over $300,000,000. Allowing $1,500 as the average return for the Canadian worker, it means that 200,000 workers of this Dominion are employed by virtue of our export trade in semi- or fully manufactured products. Accepting the ratio of one gainfully employed in every four, it means that the manufactured exports of this country provide employment for ten per cent of our total population.

Therefore, sir, I submit that nothing this Dominion can do is of greater importance than to assist her industrialists to find outlets for their commodities in the markets of the world; this brings employment to our working men, it brings money to our shores, and it provides markets for the raw material of the Dominion, whether wheat turned into flour, or lumber turned into sash and doors.

Without unduly flattering the officers of my department, I believe we have representing the Dominion throughout the world as intelligent and aggressive a group of trade commissioners as any country could wish to possess. It would take too much time for me to read the numerous letters of testimony which have been received. The writers voluntarily have complimented our men in the field for what they have done to gather business for Canada.

But there is another service of great importance. Some years ago we inaugurated a steamship service between the Dominion and South Africa. This service has developed a trade which has put Canada to the forefront as an exporter to South Africa. Last June we subsidized a steamship service to the east coast of South America. We are paying $100,000 a year for six trips from Montreal in the summer, and four trips from the maritime provinces in the winter. We are now running four ships of eight thousand tons each to Brazil, Uruguay and the Argentine republic. We have increased the exports to these countries—substantially to Argentine—to $19,000,000. To the Argentine we sell farm

implements to the extent of $3,000,000; rubber tires and footwear, $4,500,000; paper, $3,000,000; sewing machines, $4,200,000; automobiles, $2,000,000; dried and salted fish, $500,000.

The Canada-Australia service was started in 1892 with an annual subsidy of $100,000. The return subsidy paid by New Zealand is another $100,000, while the Fiji islands contribute $25,000. So that the service receives $225,000. There is a motor ship, the Aorangi, of 17,500 tons, and the Niagara, of 13,400. These services provide for the carrying of Canada's mail—a service which is said to be worth about $68,000. But the point worth noting is that, when that service was instituted in 1892 Canada's trade with Australia was $293,000; to-day that trade has grown to $16,000,000. In 1911 our trade with New Zealand was $1,000,000; to-day it is over $15,000,000—that is, our trade one way. I wish to point out the value of these steamship services. I should like to refer to the service to South Africa.

Mr. SPEAKER: Time.

Some hon. MEMBERS: Go on.

Mr. SPEAKER: By unanimous leave.

Mr. MALCOLM: I want to put on Hansard what we are doing, and it will take only two or three minutes. In addition to the services I have already indicated, the Canadian Government Merchant Marine have thirteen boats, with 100,000 tons gross capacity, sailing between Canada and New Zealand. From Vancouver to the British West Indies we have subsidized a service to the extent of $3,000 per trip monthly, the vessels calling at Trinidad and intermediate ports. This service was established in 1926 and as a result of it last year 86,000 tons of freight of various kinds went from British Columbia to the West Indies. Of that tonnage, 1,700 tons were transshipped to some of the other British possessions at which the steamers did not call. Valuable business was secured in Douglas fir by virtue of that service. In the development of the Maracaibo oil fields in Venezuela we managed to obtain orders for British Columbia fir, and through the service a substantial business will be retained for this Canadian product.

The service to South Africa was established in 1902 and an average subsidy of $125,000 has been paid, by means of which we have built up with South Africa a trade which has increased from about $4,000,000 to about $11,000,000.

Mr. Speaker, the house has been very indulgent in allowing me to complete the statement and I beg to be allowed to conclude in a word. I contend that Canada, in view of her export trade in manufactured goods, rendered possible by these services, can well afford where necessary to subsidize transportation to every country in the world when the results are as I have indicated. To obtain a volume of business which supports 8 or 10 per cent of our population, and this with the expenditure of less than half a million dollars, is, I believe, an accomplishment of which as Canadians we have a right to be proud. I do not believe that there is any form of government assistance which will be shown in the future to be of such importance to this Dominion as the assistance which we are giving to those who employ labour in this country, to find markets for their products in foreign fields.

Hon. J. W. EDWARDS (Frontenac Addington): I have listened with a great deal of sympathy to the hon. gentleman who has just taken his seat (Mr. Malcolm), because I realize that his health has not been quite good of late owing to a cold. May I express the hope that when the hon. gentleman's health improves—as I trust it will—his reasoning will improve proportionately. The hon. gentleman started by saying that there was unanimity of opinion in the Dominion regarding the prosperity of Canada. I challenge that statement at the outset, and I shall endeavour to show him that there are in Canada certain classes of people who are not enjoying the prosperity of which he boasts. The hon. gentleman referred to the part that Providence plays in our prosperity, such as it is, but in so far as the manufacture of our raw materials is concerned Providence gets no credit at all; any credit along that line must be given entirely to the government. The minister reasoned that, of course, it was advisable, it was better for Canada to have raw materials fully manufactured in this country since it gave employment to more people—that the more fully manufactured the goods which we exported from this country the more people there would be engaged in the production of those goods. Very well. Now let us measure the government by that standard and what do we find? I find that our exports of fully manufactured goods are decreasing; they are getting less from year to year. The minister shakes his head. Well, I have nothing better to go by than the report which is issued by authority of the minister himself. I appreciate the fact that, according to the judgment of the minister, in speeches made throughout Canada, and according to the statement of the Minister of Finance (Mr.

Robb) the other day, we are not to put very much reliance upon these reports; because both the Minister of Finance and the Minister of Trade and Commerce have repudiated their own reports. The Minister of Finance repudiated them in an endeavour to bolster up or to lend colour to the treaty with France. He tried to show that a large percentage of the goods shipped was in some way diverted as it crossed the ocean. He said that France buys more from Canada than our records show.

An hon. MEMBER: Hear, hear.

Mr. EDWARDS (Frontenac): An hon. gentleman says "hear, hear." Well, I suppose that was as true before the French treaty was arranged as after. But may I point out that the United States records show that they export to this country over $100,000,000 a year more than our records show that we import.

Mr. MALCOLM: Does the hon. gentleman want an explanation? It covers wheat going through Montreal—$91,000,000.

Mr. EDWARDS (Frontenac): How do they know that some of the American wheat shipped by way of Montreal is not credited to Canada instead of to France? The whole point is this: the government have made some very foolish trade arrangements; in fact, they have never yet made a wise one, and they are endeavouring now by repudiation of their own records to bolster up these treaties and to make them appear better than they are. I would direct the attention of the minister to this fact—and it is a fact—that it is a part of the policy of the United States, and has been for years, to encourage the importation into that country of raw material and to work up that raw material into the finished article, thereby giving employment to their own people. In pursuance of that policy over half of the imports of the United States are in raw form and 53 per cent of all they export is in the manufactured state. Exactly the reverse is true so far as Canada is concerned. According to this record I have here, be it worth what it may, 26.6 of our total imports is now in the raw state as compared with 28.9 in 1922, and we are importing 64.9 per cent of fully manufactured goods as compared with 61.5 per cent in 1922. So that, measured by the standard the minister himself suggests, we are fully manufacturing less goods now than we did some years ago when this government came into power. Consequently there are fewer people engaged in our industrial enterprises and there is less employment. It is a fact that we do export 73 per cent of our wood and wood products in the raw state, and we import 64 per cent of such products finished outside of Canada. Canada exports 87 per cent of her metals raw and imports 87 per cent of metal products more or less finished.

In order to present the matter as it impresses me I would like to refer to one particular article; I refer to asbestos, which we export in the raw state to the value of $10,000,000. Those exports go to some ten or twelve different countries, mainly to the United States but also to France, Japan, Austria and so on. The value of the raw rock exported to the United States is about $7,000,000; that is finished in the United States, after which it is worth some $36,000,000. There are 49 factories in the United States engaged in working up that raw material, giving employment to 6,129 people and having a payroll of $7,692,000. On this side of the house our contention is that the government have been indifferent and lax in encouraging the manufacture of our raw materials in Canada to the extent to which we believe they could be fully manufactured here.

Now I wish to refer to New Zealand for a moment; the hon. gentleman said, "Oh, we export goods to the value of some $15,000,000 to New Zealand," and he charged that hon. members on this side would scrap those exports because of our imports of butter from that country. That is not stating the case fairly; we are just as anxious to deal with other countries as are hon. gentlemen opposite, but we hope we never will be guilty of the mistakes they have made in their trade arrangements with other countries. May I remind my hon. friend that previous to the negotiation of this trade arrangement with New Zealand our exports to that country were about $1,500,000 more than they were last year. With respect to the dairy industry, the hon. gentleman laboured very hard indeed to bring forth an excuse which would be acceptable to his own side of the house and which might be swallowed by the country at large. He said, "Oh, it is true that we export less cheese and butter, but our milk is being made up in other forms." Very well; again we will take the hon. gentleman at his word and I will refer to another publication issued under his authority, which shows that our total milk production in 1927 was less by nearly 500,000,000 pounds than it was in 1926. I will give the figures; approximately 13,000,000,000 pounds of milk in 1927 and about 13,407,000,000 in 1926, and according to the same authority our production of milk in 1928 was even less. If the Prime Minister were here I would like to

ask him if he believes that the New Zealand arrangement has worked an injury to the farmers; if you like we will admit that the Australian treaty has some advantageous points to it, but in the absence of the Prime Minister I would ask the hon. gentleman who has just taken his seat if he will not agree with me when I say that the New Zealand arrangement has worked an injury to the farmers of this country. Will he admit that?

Mr. MALCOLM: I have just made a speech on it; I think it is a good trade arrangement.

Mr. EDWARDS (Frontenac): Then my hon. friend does not admit the injury to the farmers?

Mr. MALCOLM: My hon. friend can take any inference he pleases from my speech; it will be in Hansard to-morrow.

Mr. EDWARDS (Frontenac): Then will the Minister of Finance venture to say whether or not the farmers of this country have been injured because of the arrangement with New Zealand? He is busy at present so perhaps he will think it over. The reason I have asked these questions is because on September 21, 1925, the Prime Minister made a speech in the town of Woodstock; referring to this Australian treaty, which was to take effect on October 1 following, he said:

> There is one condition of that treaty which says that we are free to alter or to abrogate it altogether on six months notice. I say to the farmers of Oxford that if the Australian treaty does any injury to your industry I will undertake to say on behalf of the government that I will give that six months notice on short order.

An hon. MEMBER: Who said that?

Mr. EDWARDS (Frontenac): The Prime Minister said that on September 21, 1925. Now I would like to direct the attention of the house to a further fact; the Australian treaty came before this house and the representatives of the people in parliament were given an opportunity to express their opinions for or against it, but it was only after dissolution that the cabinet, consisting of some sixteen or seventeen gentlemen, sat around a table here and by order in council made the treaty arrangement with New Zealand without any previous negotiation and without our receiving anything in return. That is what I find fault with.

Just here I want to say that I believe a wrong impression is going about that the advantages of this treaty had to be extended to New Zealand, and in that connection I quote a section from the act itself:

> . . . . subject to the customs tariff, 1907, the governor in council may, by order in council, extend the said advantages to goods the produce or manufacture of any British country.

It was on the strength of that section that the cabinet extended these advantages to New Zealand, and that action was taken just five days after the Prime Minister made his speech in Woodstock. Was the Prime Minister dealing fairly with the farmers of Oxford county when he spoke to them on September 21 with regard to Australia and said nothing about an arrangement with New Zealand, or are we to infer that on that date the government had no intention of extending this treaty to New Zealand and that that was the reason the Prime Minister made no mention of it? This is just one of those autocratic acts which have characterized this government ever since it came into office.

With regard to this arrangement with New Zealand I would like to direct the attention of the Minister of Trade and Commerce to one or two figures showing the results of this unprofitable bargain and the effect which it has had on the dairy industry and the farmers of this country. In 1926 our imports of butter from New Zealand amounted to 3,193,382 pounds; in 1927 they had increased to 8,714,985 pounds; in 1928 this increased to 16,124,641 pounds, and the trade commissioner for New Zealand estimates that in 1929 New Zealand will send to Canada double the quantity sent in 1928. Then I would like to direct the attention of the Minister of Trade and Commerce to the fact that last year we imported 16,801,656 pounds of butter, and taking the figures given by his own department as to the milk production of the average cow, that importation would equal the production of 84,000 cows; allowing 10 cows to a farm that would give a good start to 8,400 farms, and allowing 5 people to a farm it would mean something to 42,000 people. I would add to that this further fact: Since this arrangement was entered into we exported last year 35,000,000 pounds of cheese less than we did before this arrangement was made. That would represent the production of 83,000 cows on 8,300 farms and would affect 41,500 people. Add these two together, and the result of the improvident bargain which was made would be equal to the production of 167,000 cows on 16,700 farms affecting 83,500 people. It is a significant fact that while the number of milch cows in Canada has decreased 101,000, according to the minister's own report, and the number of swine has decreased 197,422 in the last year, the dairy herds of New Zealand have increased during the last twelve months by 57,000 cows, and

the number of swine by 66,755. We used 347,000,000 pounds less of milk in the production of butter in 1926 than we did in 1927; we used 377,000,000 pounds less in the production of cheese, but although a little more was used in other ways our total production of milk was less than it was before this arrangement was entered into.

I would draw this further fact to the attention of the minister to show him that the prosperity he speaks of is not general throughout the Dominion of Canada. I call his attention to the exports of certain farm products, such as pork, bacon and hams, lard, cheese, butter, milk and cream, milk—condensed, evaporated or as milk powder. When he studies the figures relative to the export of the surpluses of those articles, closely identified with this trade arrangement, he will find that for the last calendar year our exports of pork were $900,000 less than before this arrangement was made; our exports of bacon and hams $20,000,000 less; cheese, $8,250,000 less; butter, $8,000,000 less; milk and cream, $1,400,000 less; and milk—condensed, evaporated or as milk powder—$1,400,000 less. Previous to our entering into this arrangement the exporting of the surpluses of these products brought into the pockets of the farmers of the Dominion of Canada the tidy sum of $88,115,725. The figures for last year, two years after we entered into this arrangment, show that the farmers received only $47,179,797. That is to say, the action of this government has decreased the revenue of our farmers by over $40,000,000. I do not expect the Minister of Trade and Commerce to be very much affected by those figures, because I note that he is reported in the Goderich Signal, a Liberal paper, of August 16, 1923, as saying:

> The farmers are the most dissatisfied men in the Dominion of Canada.

He said the farmer's occupation was essentially a labouring job. That is true, it is a labouring job and it is not receiving very much encouragement under this administration. The article continues:

> The fact of the matter is that the farmer is spending more to-day than 100 acres will ever yield.

He deprecated the tendency to take more from a job than the job would earn and declared that the farmer should live on the money he actually earned. He said a mechanic could only have a mechanic's living at the best. He advocated the importation of raw labour for the carrying on of our public works, and called attention to the fact that in years gone by the Irish came here and did this work. They were unfitted to do anything else, and that is the reason they did this labouring work.

Mr. STEVENS: Who said that?

Mr. EDWARDS: The Minister of Trade and Commerce. He then went on to say that the Italians came over and took the place of the Irish, and now the Slavs were the pick-and-shovel men of North America. All of this would seem to be indicative of the heartfelt sympathy the Minister of Trade and Commerce has for those who labour. The article continues:

> Mr. Malcolm contended that Canada should continue to import raw labour which will live humbly and which will do a day's work for a reasonable rate of pay. Canada's development depends upon plenty of cheap labour.

And so his colleague, the Minister of Immigration (Mr. Forke), has brought into this country during the last two years, according to the statement of his deputy minister, over 100,000 men from central and southeastern Europe and has dumped them into the cities to rob good Canadians of their jobs and force them to leave this country and go to the other side of the line.

I am sure that every member of the house was very pleased when the honour came to the Minister of Agriculture (Mr. Motherwell) of being created a doctor of laws by one of the universities. It is said that universities occasionally confer that honoured degree upon men of wealth with the object of having them make a large donation to an endowment fund, but in the case of the Minister of Agriculture I do not think anyone will say that it was done for that purpose. Undoubtedly this degree was conferred upon the Minister of Agriculture because of his outstanding merit and because of certain distinctive qualities which he possesses in a very high degree. I am glad to see the Minister of Public Works (Mr. Elliott) applauding so heartily, and I hope the same honour will come to him some day. What were the distinctive qualities which caused this university to confer the LL.D. upon the Minister of Agriculture? It seems to me that the one thing in which he excels, above all others, is in the vast number of new words and phrases which he has added to the English language, and the dignity he has given to slang and to political buffoonery. The minister took a trip over to Europe and he took along his car and chauffeur. Before he left he had emblazoned on the door of his car the coat of arms of Canada, and it was the duty of the chauffeur to explain to the people who gathered round to see this wonderful automobile that the insignia on the door

of the automobile represented the coat of arms of Canada and that it was one of the things with which the Postmaster General (Mr. Veniot) had not up to date interfered. What did the Minister of Agriculture do over there? He says that he visited Holland Denmark, Sweden, and Ireland. And for what? I use his own words: "I went over there and I examined the live hogs of all of our competitors." While he was examining hogs—and I hope he fared better than did the prodigal son of ancient times—his chauffeur was explaining the coat-of-arms. As he passed through the country in a blaze of glory, it looked to the people of France as though Napoleon had come to life again, and as he went through Germany the little children shouted "Hoch der Kaiser!" The minister says that he has used certain yardsticks and that by all the yardsticks which indicate prosperity this is a prosperous country.

Mr. ELLIOTT: Yes.

Mr. EDWARDS (Frontenac): The Minister of Public Works says yes. Let me direct this question to him: Is it not true that in his constituency any man can go out and buy hundreds of farms for the price of the buildings with the land thrown in? He knows that is a fact.

Mr. ELLIOTT: I might say to my hon. friend, if he will permit me—

Mr. EDWARDS (Frontenac): I will not permit him to take up my time.

Mr. ELLIOTT: My hon. friend has asked me a question. There is no part of Canada where an intending purchaser of a beautiful farm can do better than in the county of Middlesex.

Mr. EDWARDS (Frontenac): I get my confirmation from the minister himself, although he did not intend his remark in that way. He says that an intending purchaser can come into his county and buy a beautiful farm cheaper than in any other part of the country and he wants that understood. But what about the man who is selling the farm? Is it a yardstick of prosperity that hundreds of thousands of Canadians are leaving this country and going to the other side of the line in order to get jobs? Is it not true that millions of dollars are being spent in bringing hundreds of thousands of aliens into Canada to take the place of Canadians who have been deprived of jobs in this country? Is it an evidence of prosperity that we tear down whole city blocks in Ottawa and the Minister of Agriculture intimated that the intention was, in the course of time, to rip out all the buildings along Wellington street and make it all a park? I suppose that will include the post office also. The Minister of Agriculture very properly held that a minister should be informed. Yes, of course, he should be informed. I presume it is just as well, when he goes trotting around Europe in a high-priced car, to take his chauffeur along with him so that he can be informed too and pick up some crumbs of information that the minister might otherwise miss.

I should like to direct attention to the importance of our home market. The home market for Canadian farm products based on the average of the last four years and indicating the percentage of the total production consumed in Canada, works out as follows:

Article	Percentage of total production consumed in Canada
Cheese	20 per cent
Milk, condensed or evaporated or as milk powder	51 per cent
Butter	95 per cent

Last year the amount of butter consumed in Canada was 99 per cent of what we produced. Let me direct attention to a statement which the Minister of Finance (Mr. Robb) will remember having made in 1925. He said that the policy of the government was to encourage the bringing into Canada of butter, eggs and so forth from New Zealand, and that we would sell ours in the United Kingdom. May I remind the hon. gentleman that in 1926 we had a market in England for more than 18,000,000 pounds of butter, and that last year we had a market for 47,000 pounds. Instead of our finding a market in England for our surplus butter, last year England shipped to Canada 1,300,000 pounds of butter.

Mr. ROBB: Because the price was three and a half to four cents a pound higher.

Mr. EDWARDS (Frontenac): The fact is that the butter was imported. What the minister said in 1925 was that we would let this butter come in from the antipodes and we would sell ours in the English market. We are not selling our butter in the English market; we are crowded out there. At the present time it is summer in Australia and in New Zealand where they are producing their milk, butter and cheese at the lowest possible cost, and the present government, which has never shown any proper regard for the farmers of Canada, proposes to compel them to compete with Australia and New Zealand at a time when the cost of production

in this country is at its peak. That, in my judgment, is absolutely unfair, unreasonable and unjust. To continue with the statistics I was giving:

Article	Percentage of total production consumed in Canada
Eggs	99 per cent
Meats	93 per cent
Potatoes	93 per cent
Turnips	96 per cent
Sugar beets	92 per cent
Apples	62 per cent
Hay and clover	98 per cent
Wheat	39 per cent
Oats	94 per cent
Peas	93 per cent
Barley	69 per cent
Rye	51 per cent
Beans	98 per cent
Corn	100 per cent
Buckwheat	94 per cent
Wool	63 per cent

I maintain that we should do everything we can in fairness to our farmers who, according to the Minister of Trade and Commerce, cannot make a living off 100 acres of land. We should conserve the home market for the Canadian farmer; we should give him a fair show in his home market.

Let us consider the question of fruits and vegetables of which we imported last year $16,000,000 worth from the United States alone. Vegetables brought into Canada from the United States are brought in from the southern states in the first place. The Americans have three prices: they have, first, the high price for the early product in their own market without any competition from us; second, the high price in the Canadian market because they can get their stuff in here several weeks ahead of ours, and, third, a moderate or low price for whatever balance they have. They are willing to sacrifice that and the government permits them to do so by dumping it on the Canadian market. The same is true with regard to fruits. There are fruits rotting on the ground in Ontario and other parts of Canada while the Americans are sending their fruits into Canada at sacrifice prices. This strikes me as being so absolutely unfair as not to require any further argument.

If time will permit I should like to refer to the finances of Canada. In 1896 when the Laurier government came into power in Canada the national debt was $258,000,000. In 1911 it was $340,000,000, or an addition of $82,000,000 in the fifteen years under the Laurier government. Between 1911 and 1914 the Conservatives had decreased that debt by several million dollars. In 1921 it stood at $2,340,000,000 and, according to the statement of the Minister of Finance made in the house a few days ago, it is now $2,330,000,000, or $10,000,000 less than it was in 1921. What the the main sources of revenue? According to the Minister of Finance they are customs and excise and the special war taxes. They account for 87 per cent of our revenue. May I point out that in the seven years from 1914 to 1921 the Conservatives collected from these three sources of revenue $1,691,000,000, and in the seven years from 1921 to 1928 the present government collected from the same sources of revenue $3,131,000,000. The people of Canada have a right to ask what the government did with the money. The Minister of Finance said that there had been debt reductions amounting to $226,000,000, but he did not call attention to the statements of Mr. Fielding in 1922 and 1923 when he admitted that $179,331,000 was added to the national debt. If the Minister of Finance had been as candid as was Mr. Fielding, I suppose the headlines in the papers after he made his speech would have been in a good deal smaller type. Let us take railway subsidies, for instance. In the seven years, 1914 to 1921, during which the Conservatives were in power, $8,650,315 were expended. In the seven years, 1922 to 1928, during which the Liberals were in power, there were no subsidies at all. Then let us take expenditures under the head of war and demobilization. For seven years under the Conservatives, $1,687,402,782 was expended. Under the Liberals, the last seven years, $8,873,909 was expended.

I make this statement here to-day, Mr. Speaker, and I am able to back it up—the facts are indisputable—that during the whole of the Conservative regime, from 1911 to 1921, not one single dollar was added to the debt of Canada except for two purposes. One was the war and the responsibilities arising from the war, and the other was the taking over of the railways. I add to that still further, and I say that not only did the Conservatives live within their income during those eleven years—and I would like the Prime Minister to get this into his head and keep it there for future reference—but they met and paid off $698,809,700 of war debt out of revenue. Why, sir, they paid off $164,000,000 gratuities to soldiers, $102,000,000 soldiers' civil re-establishment, $90,000,000 pensions, $80,000,000 soldiers' land settlement, $7,000,000 soldiers' insurance, and voted $10,000,000 for technical education. That $453,000,000 they ought to get credit for. And there was the $25,000,000 housing loan, $35,000,000 to the western farmers to buy seed grain and feed, which they seem to have forgotten all about, $30,000,000

for shipbuilding, $20,000,000 for good roads, $10,500,000 in that time of financial stress as aid to agriculture, and $5,000,000 to encourage the live stock production of this country.

In addition to all that, Sir, they established thirteen new experimental farms or stations and interior government elevators, and provided the sum of $40,000,000 a year to the British government to enable them to buy our butter and cheese, bacon, hay and other products here in the Dominion of Canada.

When one looks back over the past, Mr. Speaker, and takes into consideration the reductions which the Conservative party made on agricultural implements and other things in that time, when is taken into consideration the stress and strain upon the government, which in itself was tremendous, I say, Sir. without any fear of contradiction, that never since confederation has there been a government in the Dominion of Canada which has as clean and creditable a record as the Borden-Meighen governments from 1911 to 1921.

May I, Mr. Speaker, in the few minutes left to me, call your attention to a few of the reductions made by the Conservatives during those years, because it is the custom of our friends opposite to represent themselves as the only friends of the farmer. I simply want to put one or two things on record here. In 1914, the Conservatives reduced the duty on binders, reapers and mowers, from 17½ per cent to 12½ per cent. They exempted wheat, tea, sugar, coal, binder twine and agricultural implements from the war revenue tax of 7½ per cent and 5 per cent. They reduced the duty on cement from 12½ cents to 8 cents per hundredweight. They made ditching machines and farm tractors free. They lowered the duty on cultivators, harrows, hay rakes, seed drills, manure spreaders and weeders, by 5 per cent, from 20 per cent to 15 per cent, and by 5 per cent on hay loaders, potatoe diggers, feed cutters, grain crushers, fanning mills, rollers, waggons, hay tedders and so forth, from 25 per cent to 20 per cent, and 2½ per cent on ploughs, windmills, and portable traction engines, and so forth, from 20 per cent to 17½ per cent. And several other things.

Now, Mr. Speaker, I submit that those figures indicate very clearly that at a time when if ever a government had an excuse for not making any reductions in duties, the government of the day at that time did not lose sight of the farmers in this country, but they did reduce the duties on many of those articles, while they were condemned by their opponents at the same time and by many in the west. I call the attention of western members to this fact, that Mr. Crerar, the head of the Grain Growers Grain Company, was condemning the Conservative party for what they did not do, in his estimation, giving them no credit for what they did, and at the same time, the company of which he was the head was pocketing a profit of over 21 per cent on all the sales of farm implements and everything else which they sold. That is something to which I would call the attention of hon. members from the prairie provinces, and it is a fact which no one can possibly gainsay. They could handle these articles if any person could, at a minimum of profit, because at the elevators they had men who were running the elevators—

Mr. DEPUTY SPEAKER. The hon. member's time has expired.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, no westerner can be very enthusiastic over the budget. Even the member for Lisgar (Mr. Brown) admitted that it did not contain much meat, but he seemed to find some solace in the fact that he could discover no poison.

I am inclined to think a good many of us are becoming rather weary of this negative goodness, in fact, I do not know whether we can even call it goodness. It is simply a stand-pat attitude. It is quite true that there is no further reduction in the income tax, and for that we are duly thankful. But there are practically no concessions to the western farmers, and, as far as labour is concerned, I am afraid that we are not particularly interested in the items of the budget. I recall an ancient condemnation of the Laodiceans, "I know thy works, that thou are neither cold nor hot; I would thou wert cold or hot. So because thou art lukewarm, and neither hot nor cold, I will spew thee out of my mouth." Some of the hon. members are inclined to say of the budget: Because you are neither too cold nor too hot, I think I can swallow you.

The amendment suggests that there is no provision for reasonably safeguarding and protecting the interests of those engaged in agricultural pursuits or in industrial employment in Canada. Perhaps it is hoped by the Conservatives that by taking such a position they may be able to attract the votes of those who are here specially representing the farmer or industrial groups. I am afraid, however, this amendment is altogether too general in its terms, and, as interpreted by the speeches, it simply means the old time-worn doctrine of protection.

May I point out, Mr. Speaker, without developing the subject, that protection of in-

dustry has never meant the protection of workers in industry. If it did, it might be some temptation to some of us to vote protection. But never yet, as far as I have been able to study the situation either in Canada or elsewhere has protection of industry meant protection of the workers. There was a very good suggestion contained in the report of the committee in Sydney which investigated the conditions among the steel workers. I referred to this report in my speech on the address in reply to the speech from the throne. The report to the ministerial association called attention to the fact that for the continuous operations in the steel works, that is, consisting of the coke ovens, blast furnaces and open hearth departments, approximately one thousand men a day are involved. The day shift is eleven hours and the night, thirteen, throughout a seven-day week. That is, the men in those departments work on an average of eighty-four hours every week, sixty-six during the week on day duty and one hundred and two for the week on night duty. Nothing whatever is being done for those men, and the federal government tells us that it has no jurisdiction. The report says, and I think very pertinently:

> We recommend that representations be made immediately to the federal Department of Labour and to the Prime Minister of Canada, urging that if and when the steel companies of Canada are allowed a protective tariff, provision be made for the men receiving the standard hours of labour adopted by the parliament of Canada, namely, the eight-hour day.

I would urge upon the government that if protection is to be accorded to this industry —and it already has received much at the hands of various governments of Canada—the least that could be done would be to insist that the workers be safeguarded, at least, to the extent of reasonable conditions of labour.

The member for Wetaskiwin (Mr. Irvine) called attention to the unsatisfactory practice that at present prevails of the government bringing down a budget containing a great many different items and saying to the house: Take it or reject it. There is no alternative. In connection with a recent debate on another question, a sharp distinction was drawn by speakers on the government side between the respective functions of the administration and parliament, and we were told that the administration must assume the responsibilities for whatever course might be taken. Now, I know that has been the practice, but I would submit that there is no reason why it should forever continue to be the practice. In some respects the Prime Minister and the present government are more Tory than the Tory administration in Great Britain. In this connection I would venture to call the attention of hon. members to a very interesting report presented to the British house by the Secretary of State for the Colonies, Mr. Amery. It deals with a suggested constitution for the island of Ceylon, and is the result of the work of a special commission presided over by the Right Hon. the Earl of Donoughmore. The report contains one or two paragraphs that I think might very well be taken to heart by this house. For instance, it is suggested that at the present time there is:

> Uncertainty among those best informed as to the future form of parliamentary practice in Great Britain.

And:

> Within political parties in Great Britain inquiries are constantly being undertaken to ascertain whether the machinery of parliament cannot be reformed so as to make it more responsive to public opinion.

Then will the house kindly listen to this—and it is from Conservative members of parliament in Great Britain:

> We propose to take full advantage of the opportunities which we have enjoyed of gauging the deficiencies of current parliamentary practice and the direction in which the forces of constitutional evolution are now impelling us, and to frame our recommendations with the object of providing for Ceylon a form of government, modern, practical and democratic, which will combine with the best elements of the parliamentary system, features designed to escape its ascertained and acknowledged weaknesses.

That is a remarkable statement coming from Lord Donoughmore and presented to the British house by the Conservative Secretary of State for the Colonies. The report goes on:

> It is a scheme which is calculated to divert attention from the academic discussion of political theory to the practical consideration of the pressing administrative problems of the day.

How that would transform the discussions in this house!

> It is a scheme which, while giving responsibility as well as power, guarantees that political progress shall go hand in hand with administrative knowledge.

And further:

> We have framed our proposals in some relation to the system obtaining in the most modern deliberative bodies of power and influence, such as the League of Nations. Here the representatives of the world powers, with all their varieties of races and outlook, have though fit to organize themselves on a basis of standing committees as the most convenient method of disposing of the program of administrative and detailed work which habitually

confronts them, of facilitating practical achievement, of acquiring and distributing an exact knowledge of those problems which await solution, and of inspiring all members with that mutual confidence so essential to effective co-operation in the common interest.

The report proceeds to suggest a constitution under which the conduct of the business of the house will be divided into various committees, the members electing the chairmen of these committees, and the chairmen then becoming what we would call departmental ministers. I think such a modification might well merit the attention of this house. We cannot but think of its advantages as we are asked to say "yes" or "no" to the budget.

A great deal has been said pro and con in regard to our national prosperity. I have often wished I was in the happy position apparently enjoyed by some members of being able with a good conscience to say that all the people of Canada are happy and prosperous. Let me suggest that the various social and economic movements which are taking place do not altogether corroborate the idea of general prosperity. We can maintain our population only by importing the poverty-stricken people of Great Britain and the continent of Europe. During the period from 1921 to November, 1928, we expended on immigration no less than $16,242,219.03. Sixteen million dollars to beg people from Great Britain, Europe and the United States to come to this country!

Miss MACPHAIL: And we cannot even keep them.

Mr. WOODSWORTH: No, as my hon. friend suggests, we cannot even keep them. I suggest that if we spent one-quarter of that sixteen million dollars in making conditions a little more tolerable in this country the results would be better for the nation. From 1881 to 1928 we received no less than 5,599,250 immigrants. Yet notwithstanding that addition we have hardly kept the population that we would have had we been able to retain our own native-born. That does not seem to reflect any very great and general prosperity throughout the Dominion. I am not blaming this particular government. In my judgment the doings of this or that government do not matter very much in regard to these great economic problems, but I do say it is absolutely absurd for the government in the face of such movements to suggest that the great mass of the people are prosperous.

Then again there is the general shift from the country to the city, so that now over half of our population lives in urban centres. I am not one of those who believe it is possible to retain a great majority of the people in the country. I think machinery has been introduced to such an extent that we can hardly hope for that condition. But undoubtedly it is because the agriculturists of this country, and indeed the agriculturists of the United States, have been placed in such an adverse position that there has come this very swift shift from country to city. Further than that, there has come a very decided shifting of employment from the truly productive to what might be called the merely luxury occupations. As far back as 1917 Mr. W. J. Hanna, the food controller, put this very well:

> That there have long been too many city people and too few farmers in this Dominion is common knowledge, but it is not so well known that among our city people there are too many mere distributors, too many shippers, packers, carriers, wholesalers, retailers, advertisers, printers, salesmen, brokers, sub-brokers, deputy brokers, assistant-sub-deputy brokers and the whole army of people in the services and professions that wait upon the middleman. I do not say that the functions of these non-producers could be done away with, but I do say that there were and there are too many for each function—too much duplication of effort and equipment. . . . This inflated staff of non-producers, not only in Toronto but in every Canadian city and town, was and still is, dependent for its wages upon the movement of farm goods to the city and city goods to the farm, and all the over-specialized, over-elaborated processes which a luxurious civilization imagines are necessary to its happiness.

We have to face that situation at the present time.

Futhermore, I suggest that the diminution in the birth rate is not altogether satisfactory. In 1921 the birth rate was 26·4, and from 1921 to 1926 it had fallen to 22. In eight provinces of Canada, Quebec excepted, there was a loss of 4·4; while Quebec dropped from 37·6 in 1921 to 32·1 in 1926, showing a loss of 5·5 points. In other words, there is a greater drop for the province of Quebec than for the other provinces of the Dominion. Or take the figures as given us in the census returns of families according to numbers. The number without children is 30·6 per cent; the number of families with one child, 20·9 per cent—that is to say, half of all the families in Canada have either no children or only one child; the number with two children is 16·7; the number with three children, 11·6; the number with four children, 8·0; the number with five children, 5·3; and the number with six and up, 8·7. I venture to suggest that the reason for the decrease in the size of families, while in part doubtless due to higher standards and even to the desire for certain luxuries, is also due to the fact that in the middle and wage-earning classes it

has become simply impossible for people to attempt to rear families of even a moderate size. They cannot afford to have families.

The unemployment and misery existing in some of our eastern cities was very well depicted a day or two ago by the hon. member for West Hamilton (Mr. Bell). In this connection may I direct attention to a very suggestive editorial in this morning's Citizen, from which I quote the last paragraph:

> Well informed members like Mr. Bell must know enough of history to realize that only the most exceptional conditions under the present economic system can produce a situation where there are no employed, and hence no extreme poverty. They must know that a reserve of unemployed is one of the most helpful factors in the successful functioning of our present industrial order.

I wonder whether we all accept that. It does not come from some radical journal, but from the Ottawa Citizen.

Mr. STEVENS: Pretty radical.

Mr. WOODSWORTH: It is radical; that is why I quote it. I am one of those who believe that our present economic system is fundamentally inadequate to meet the needs of present day civilization, and it is such facts as these that drive me to that conclusion. But let me quote that last sentence again:

> They must know that a reserve of unemployed is one of the most helpful factors in the successful functioning of our present industrial order. They must know too that the great weakness in the system is that while it produces magnificently it fails to be so impressive as a distributor—hence over-production and under-consumption; and finally they must know that any remedy they have so far put forward or ever contemplated, cannot materially change conditions which are inherent in the economic system.

The Labour members believe that the present economic system must be replaced by a different one; hence in discussing these matters we are very much under a handicap, because it is generally assumed in this house that the present system is functioning fairly well. Under these circumstances we can do little more than to show the weaknesses of the existing order. But I would point out that even under the existing system we might expect to have have some alleviation offered by the government in power. The government, however, is offering practically no alleviation. Thus we are confirmed in our belief that there is something inherently wrong in the system. A friend beside me suggests that the opposition may believe the system is not perfect. I am glad to have the support of the opposition, and I fancy that if we were permitted to sit side by side in this house many years longer we might make the Conservative opposition into very good socialists.

Mr. BELL (Hamilton): My hon. friend is not a socialist, I hope.

Mr. WOODSWORTH: A socialist? That is why I am here. It all depends upon your definition of socialism.

An hon. MEMBER: Give us a definition.

Mr. WOODSWORTH: In a word, I would say this: we believe that the concentration of capital has gone on to such an extent under the existing system that it has got into comparatively few hands. We believe that a very small group of people have managed to gain control over this great system of production and distribution. We do not believe we can go back to the earlier system of individual production, and under these circumstances it is our opinion that there ought to be some sort of democratic control over the existing system—a control exercised for the advantage of the many and not for the profit of the few.

I should like to back up the appeal made by the hon. member for West Hamilton by giving a group of statistics which are closely related, one set to the other. The Department of Labour has given an estimate of family budgets at various levels. They take what they call the average family of five—for it is supposed that it is necessary that a married couple should have at least three children in order that, allowing for sickness and death, the race may be perpetuated. Taking the average family of five, the department says that the comfort level is $2,356.82; the health and decency level requires $1,719.23; while the minimum subsistence level is estimated at $1,396.92. They also give figures for what they denominate the poverty level. This they fix at $900, and the people receiving that income are on the ragged edge, apt to fall lower at any time. As a matter of fact, even where relief is well distributed, our relief agencies are frequently forced to give to families in the vicinity of $900 in order that anything like respectable conditions may be maintained in the homes under relief.

Now let us take the wages in Canada, and here we are not dealing with what it may be charged are the exceptional cases to which the hon. member for West Hamilton referred. A very extensive survey was made in 1921; let us consider the case of a skilled tradesman such as a carpenter. In Montreal the average earnings of an ordinary carpenter were $1,109.63; in Toronto $1,187.83 and in Winni-

peg $1,224.56. Then consider the labourer; in Montreal the average earnings of a labourer were $881.41, in Toronto $965.48 and in Winnipeg $980.37. In other words, unskilled workers in Canada are down at the poverty level, either slightly above or slightly below it, whereas such skilled tradesmen as carpenters receive a little less than what the Department of Labour has established as the minimum for decent subsistence; they are below the level of health and decency.

We had figures given us by a gentleman representing the cotton factories of Cornwall who came before the committee on industrial relations several years ago; he told us that in certain factories workmen were receiving only $15 per week. Under the Minimum Wage Act the girls in these factories were receiving $10 per week, not too large an amount to keep them in decency, but the men most of whom according to the evidence were married, were receiving only $15.

Mr. BELL (Hamilton): There are scores of workmen in Hamilton getting no more than that right now.

Mr. WOODSWORTH: Can any hon. member of this house say that is a decent wage? Can anyone say that fathers and mothers attempting to rear families can maintain them on a wage of that kind? It is all very well for the Minister of Finance, in looking over the bank clearances, the volume of trade and so on, to say that we are wonderfully prosperous, but surely when the great mass of the people are receiving wages such as I have indicated—and these statistics are furnished by our own bureau—it is impossible to say any longer that there is general prosperity among our people. That is the situation we must face. Only the other day, before one of the committees of the house, a manufacturer said with regard to his own men:

> I do not see how they can live, especially at this time. We are working from eight to four and not on Saturdays. They have to pay their expenses working about thirty-five hours a week.

Even civil servants in the employ of this government in many instances are receiving only $80 a month; they are down at the level of the poverty line. Now let me quote another set of statistics which seem to bear directly upon this question; let me give the average number of weeks of employment by workers of all ages in cities of 30,000 population and more, according to figures furnished in 1921. I select a few occupations and cities that are fairly representative:

Construction	
Montreal	42.69
Toronto	41.34
Winnipeg	40.67
Labourers	
Montreal	42.26
Toronto	41.72
Winnipeg	42.04

Therefore these people are working only forty or forty-two weeks in the year, and the wages received during that time must keep them for the entire year. If they have a period of illness; if any accident happens or there is any other calamity in the family it throws them back for years and forces them to spend all their time paying debts. Some one may say that a number of these people have not large families. That is true, and I have here another set of statistics giving the average number of persons per family supported by heads of families of wage earners in cities of 30,000 and over, according to the figures of 1921:

Montreal	4.00
Toronto	3.41
Winnipeg	3.61

That simply means that at a very early age the children must go out to work in order to supplement the wages of the father, and in this way we are mortgaging the future of the coming generation.

Now I should like to speak for a few minutes on some matters more directly related to the budget. After all, the government is a vast collecting agency; the estimated expenditure for 1928-29 is $385,160,000, an average of $40 per head, or $200 for a family of five. I submit that no family in Canada can be really uninterested in the way the people's money is spent when each family contributes an average of $200 per year.

How is this vast sum raised? The total revenue from taxation is $391,050,000; of that amount $58,500,000 comes from the income tax, leaving a total of $332,550,000 raised by indirect taxation, or an average of approximately $35 per head. The greater part of our revenue comes from the common people, and the larger the family the more they have to pay in taxation. On the other hand, how are these huge revenues spent? According to the Minister of Finance the principal expenditures attributable to the Great war, total 42.30 per cent. I submit, as I have done in previous years, that if to this total is added the amount made necessary in the collection of the much larger revenues and other large items of expenditure of that character, the expenditure attributable to the war will be in excess of 50 per cent. However we will

take the figure given by the minister, 42.30 per cent. Contrast that with other expenditures. I look at the estimates which have been placed before us and I note a few of the items and the relation they bear to the total expenditure, as follows:

	Per cent
Scientific institutions	.29
Health	.23
Old age pensions	.21
Labour	.36
	1.09

On these four large and important departments of our public life we spend only one per cent of our revenues, while according to the figures given by the minister 42.30 per cent is spent on the last war. I think perhaps that very well illustrates one of the reasons why some of us connected with the labour movement are not tremendously interested in the budget. The common people of the country are getting very little out of it; the people who are receiving the greatest benefits under the budget are the people who hold a mortgage on Canada, many of whom obtained that mortgage by profiteering either during or since the war. Notwithstanding our protests of previous years the government have made absolutely no effort in the direction of a capital levy in order to extinguish our great war debt.

With regard to old age pensions, the Prime Minister said the other day:

> I believe that everyone who has given any attention to public finance will agree that it is a thoroughly vicious system to have one body raise taxes and another body expend the money thus secured.

I think it was the member for Vancouver South (Mr. Ladner) who then asked: What about old age pensions? The Prime Minister then continued:

> I think it is, yes: I have come to the conclusion that it is a thoroughly vicious principle.

Mr. ADSHEAD: Who said that?

Mr. WOODSWORTH: The Prime Minister. Let me compare that with what the Prime Minister said on March 26, 1926, when he was advocating the government taking part in such a scheme. He said:

> As between the different provinces I fail to see where there is a distinction to be drawn between the money voted by this parliament say for the purposes of immigration which may go to place a man or woman in any one of the provinces, and money voted for preserving the individual no matter in what part of the Dominion he may be found. . . . I am proud to be able to stand here to-night and to join with others in giving permanent expression in the legislation of our country to the views and purposes that are therein expressed.

[Mr. Woodsworth.]

That is what the Prime Minister said in 1926 regarding the old age pension legislation, but he now tells us that it is a vicious system. I do not want to take the time of the house in discussing this question of the relative authority of the Dominion and the provinces.

Mr. SANDERSON: I think the hon. member is mistaken when he says the Prime Minister was referring to the old age pensions when he used that phrase.

Mr. WOODSWORTH: If the hon. member will refer to page 316 of Hansard he will find that the member for South Vancouver (Mr. Ladner) interjected the question, "What about old age pensions?" And the Prime Minister in answer to that question said, "I have come to the conclusion that it is a thoroughly vicious system."

Some hon. MEMBERS: Order.

The DEPUTY SPEAKER: I would point out to the hon. member that in referring to a previous debate in the present session he is not in order.

Mr. WOODSWORTH: My statement was in answer to a question.

Mr. SANDERSON: The hon. member is wrong: the Prime Minister was not referring to old age pensions.

Mr. WOODSWORTH: If the Prime Minister's contention is correct, what about the administration of justice? Surely the Dominion collects certain revenues and turns them over to the provinces. What about the subsidies to the provinces? The Dominion collects and turns them over. What about the grants to the Canadian National railway system? The Dominion collects and turns them over to another corporation. What about the loans to harbour boards? The Dominion collects and turns them over as loans to various corporations over which it has no direct control. If it is a principle accepted by this house and by the government that this kind of thing may be done—it is done in other countries; it is done in Great Britain—that we may make grants for certain specific purposes, it does seem to me an extraordinary thing that the Prime Minister should make such a statement as I have quoted, even before all the provinces have adopted the old age pension scheme. I hope he will explain this statement for the benefit of the hon. members opposite.

Mr. SANDERSON: He did not make the statement the hon. member says he did.

Mr. STEVENS: Certainly he did.

Mr. WOODSWORTH: We should soon face this question of Dominion and provincial jurisdiction. Take the question of the eight-hour day. We are told by the government that that is a provincial matter entirely and that the Dominion cannot handle the situation, and this notwithstanding the fact that Canada solemnly signed a treaty in which she undertook to carry out that principle. We bring up the matter of a minimum wage and are told that that is a matter under provincial jurisdiction, yet here again we undertook to see that the provision of the Versailles treaty and the Washington convention were carried out. In regard to a great variety of matters of this kind we are told that the Dominion has no jurisdiction. It is quite true the Labour department is very busy preparing reports and statements with regard to all these matters; it is quite true the government permits us to have set up a committee of industrial relations and to have referred to that committee various motions dealing with matters of this kind, but we sit there week after week and give our best attention to the different questions and when we are ready to bring in a report we are told by the Department of Justice that the Dominion government has no jurisdiction over such matters. I think it is nearly time that this situation should be clearly placed before the country. If the Dominion government has no real jurisdiction with regard to these matters, let that fact be broadcast from the housetops so that we shall not come to Ottawa expecting that something will be done. The government should then be unable to play with this house and pretend that it is possible to do something when they know all the time that nothing actually will eventuate. I think that is not too much to demand from the government.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, notwithstanding the discursive criticism we have heard from the opposite side of the house, the Minister of Finance (Mr. Robb) should feel highly gratified at the reception accorded his budget by the press and people of Canada. His successive budgets have indicated more stability, lower taxation and a rapid advance towards a greater state of prosperity than Canada has ever before enjoyed. Time was when a budget was awaited with anxiety, but our Robb budgets have inspired confidence and are now showing annually that Canada has turned the corner and is rapidly becoming one of the most enviable nations of the world.

Another cause for gratification on the part of the minister is the fact that during the present year the prosperity of Canada was nation-wide, all the provinces having benefited equally by the policy of the government. The maritime provinces, which have been slow in recovering from the aftermath of the war, have, by the implementing of the Duncan report, taken their place along with the other provinces. During the last few years British Columbia has enjoyed the greatest prosperity since confederation. Agriculture, mining, fishing, industrial progress and the development of its ocean ports have placed it in one of the most enviable positions in the Dominion. The situation in regard to the three prairie provinces I shall leave to the Hon. Mr. Crerar who, in an address delivered in Montreal on February 17, made the following statement:

> Western Canada's growth was described as one of the most remarkable developments in the world by Hon. T. A. Crerar, of Winnipeg, at the Thistle Curling Club's weekly luncheon to-day. As an example he stated that prior to 1908 the record for wheat production in the prairie provinces had been 100,000,000 bushels, while last year it had been 540,000,000. Last year's crop he estimated would net the farmers of western Canada $450,000,000. Profit on live stock production would net $57,000,000, and on dairy products, $56,000,000. Each year, he pointed out, the grain belt was reaching further north and in Alberta it now reached to 600 miles north of the international border, the Peace river country, in his opinion, was destined to become one of the greatest grain producing areas known.
>
> Europe and Asia provided great markets for Canada's surplus volume of grain, Mr. Crerar continued. Canada was one-third the distance to Europe or Australia, while the rapidly increasing population of the United States was eliminating that country as a wheat-exporting area. Russia also was passing as a country of potential exporting possibilities and Canada was the logical country to fill the void.

The prosperity of the two older provinces of Ontario and Quebec is reflected in their budgets for the last fiscal year. Both those provinces have enjoyed the most prosperous year in their histories and they find themselves with ample surpluses that can now be used for the betterment of their people. But of all the industries which have contributed to the prosperity which has come to Canada there are three which deserve special mention, namely, pulp and paper, water-power and mining. These three combined have perhaps contributed more to Canada's progress than any others. The pulp and paper industry, the development of which dates back less than

a decade, has been developed without any governmental assistance and has placed Canada in the proud position of being the greatest producer of newsprint in the world. The capital invested in our pulpwood industry amounts to $580,000,000. At the end of 1927, one hundred and thirteen mills were operating, employing 32,876 men, disbursing in salaries and wages $46,674,293. In 1928 Canada's newsprint production increased fourteen per cent, while during the same period America's newsprint production increased five per cent. In 1913 there were produced in Canada 350,000 tons of newsprint. In 1927 there were produced 3,000,000 tons, a gain of 570 per cent in fourteen years. In 1927 Canada produced newsprint valued at $132,286,729, making Canada, as I said before, the greatest producer of newsprint in the world. When we consider, Mr. Speaker, that less than fifteen years ago newsprint had taken but a very small place in our industrial life, this growth, as I have intimated, has contributed very largely to the prosperity of Canada.

Another industry to which I wish to refer, Mr. Speaker, is that of our water-powers. In these years of keen competition our water-powers are one of our greatest sources of wealth, and will in the course of time be the prime factor in making Canada one of the leading industrial nations of the world. No possession which Canada has is more envied by other nations than our almost unlimited water-powers. Those of us who were in the north country less than twenty-five years ago have lived to see that great area transformed from a wilderness into great industrial centres, of which newsprint is the basic industry, all due to the presence of a large amount of water-power.

The potential water-power of Canada that we know to be available amounts to 33,000,000 horse-power. We have at the present time a capital investment of over one billion dollars in developed water-powers. Of that 33,000,000 horse-power, in 1900 we had developed 170,000 horse-power. In 1928 we had developed 5,100,000 horse-power, an increase of 2,900 per cent in that period. As every thousand horse-power developed in connection with industry creates employment for 385 men, when we have reached the point of total development we will employ, directly or indirectly, 15,000,000 men, which means that Canada will have sixty millions of a population when all her water-power is developed. Our water-powers have been developed as follows: in the province of British Columbia there are now developed 9·2 per cent; in Alberta, 0·3 per cent; in Manitoba, 4·75 per cent; in Ontario. 26 per cent; in Quebec, 15·8 per cent; in New Brunswick, 50 per cent; in Nova Scotia, 21 per cent, and in the Yukon, 5 per cent. Possessing such an enormous quantity of horse-power, these sections of our country which have available so much of this white coal will, I have no doubt within the lives of those who are here to-day, rank amongst the largest industrial centres in the world.

Another industry, Mr. Speaker, which has come to the forefront very rapidly during the last twenty-five years is the mining industry. For many years those who were first interested in this industry found it very difficult to convince the average citizen of the tremendous potential value of our mining area. We have heard a great deal about agriculture, but it may surprise hon. members when I say that less than fifteen per cent of our great country is suitable for profitable agriculture, and that the other eighty-five per cent of our great heritage comprises the largest mining area known to science, an area that contains all the best and most valuable metals known to geology. This vast precambrian formation, which is as yet only barely scratched, has perhaps the largest potential wealth of any of our natural resources. Our mining industry, which produced $273,000,000 during last year, is but in its infancy, and the amount of its production during that period is no indication of what the near future has in store for us. Some of the recent discoveries made in Quebec, Ontario, Manitoba and Alberta indicate greater possibilities than in any other of our natural resources. Mining will also contribute very largely to the solution of our transportation problem. We are informed by economists in the United States that sixty per cent of the tonnage of American railways originates in the products of her mines. And it does not take much imagination to visualize what will happen in this country when these vast areas are fully developed. At the present moment we are producing 85 per cent of the world's nickel, 90 per cent of the world's asbestos, and we will soon rank amongst the largest copper producers in the world. Gold, silver, nickel, platinum and zinc are now being found in large deposits, and as only a small area of this vast formation has been explored, its future possibilities are beyond calculation. The mineral production in Canada for the year 1928 was $273,000,000, a gain of 140 per cent in sixteen years. In 1910 Ontario produced $42,637 in gold, and in 1927, $33,627,040. In nickel and copper, in 1928 Ontario produced $30,000,000. The gold, silver, nickel and copper mining industry gave employment to over five thousand men, and

distributed in wages $9,520,939. To the end of 1927 Sudbury nickel and copper Cobalt silver, Porcupine-Kirkland gold had produced over one billion dollars. In dividends Sudbury nickel and copper had distributed over one hundred million dollars, Cobalt silver a like amount, and Porcupine-Kirkland gold seventy million dollars.

Time does not permit my going into further details of the wonderful development of our mining industry. Recent discoveries in the constituency which I have the honour to represent are such as to attract the attention of mining men throughout the world. As was stated by the hon. member for Vancouver-Burrard (Mr. Clark), there is a mine in my district which in three years has increased in value from one hundred million dollars to one thousand million. These figures may sound fantastic, but they are known to the mining men of the world to-day. I may say that from present indications other mines now being developed may also become great producers. In the Sudbury area we are producing all the base and precious metals, and I have no hesitation in saying that we have in a small area of forty by twenty miles what at an an early date is going to become the largest mineral-producing area known to the civilized world. This is but one of the several mining camps which are rapidly becoming producers, and which in a few short years will be contributing largely to our national wealth.

British Columbia is fast coming to the fore as a producer of copper, and in northern Quebec there is a copper mine of great potentialities. In fact within the next few years we are going to become an important factor at a time when there may be a world shortage of this metal. During the visit to this country of the British Empire Mining and Metallurgical Association grave fears were expressed of such a shortage in the near future. Well, should that contingency arise, these recent discoveries of rich copper deposits will enable us practically to dominate the situation.

The rapid development of our great mining resources is reflected in our trade and commerce. The figures show a very satisfactory expansion, and this is most gratifying to those of us who have always had confidence in the wise policies of the government, policies which have tended to build up our overseas trade to its present impressive volume. We are now competing in the markets of the world with our manufactured products. The following figures of exports per head of population show that we lead the world:

United States..	$ 77 per head
Great Britain..	190 per head
Canada..	241 per head

78594—61½

This demonstrates the very satisfactory development of our foreign trade, and is ample proof that the tariff policy advocated and put into effect by the government is the policy best suited to our economic needs.

During the debate, Mr. Speaker, there have been frequent references to our trade relations with the United States, based on President Hoover's inaugural address. In my view those references are most inopportune, for I believe that the wise policy of the administration has manoeuvered Canada into such a favourable position that she will be able to obtain from the United States a satisfactory trade arrangement without any resultant loss to our agriculturists. As a result of the investigation before the ways and means committee in Washington, the people of the United States are beginning to realize that their high protective tariff policy is responsible for problems of such gravity as have not confronted any president during the last quarter of a century. That investigation has disclosed that after a period that has been, perhaps, the most prosperous in the history of the United States, President Hoover and his administration are face to face with several grave questions, such as the rapid concentration of wealth in a few hands, surplus production, chain stores, mail order houses, the agriculturists' demand for relief, and unemployment. Those of us who have followed the economic development of the United States realize that, being highly industrialized, their manufacturers must look to foreign markets for the disposal of their surplus production, but that their high cost of production will be an almost insurmountable obstacle to their competing successfully in the markets of the world. This means that the Republican administration cannot afford to put into effect any tariff policy which will shut out from their market their best customer—Canada. Moreover, there is a rapidly growing sentiment in the United States that a high tariff policy is no longer applicable. The solidarity of opinion in regard to tariff which until recently characterized a large portion of the industrial population of the United States is rapidly diminishing, and before the ways and means committee at Washington a large number of industrialists demanded a lower tariff and in some cases free entry of raw material. Some of the leading financial newspapers in the United States are to-day sounding a note of warning. I have here an article from the Journal of Commerce in which the following appears:

According to reports which have been sent to various newspapers in this city by trust-

worthy correspondents in that country, the inhabitants of Canada from west to east are feeling a good deal of worry at the proposal that has been made to adopt tariff duties at Washington which are quite manifestly intended to discriminate against them. Among these are the very high rates on farm products of various classes. True, they do not specifically discriminate against Canada, because they are technically applicable to goods from all parts of the world, but since Canada is the only quarter from which we are likely to get these goods in very large volume, they do, as a matter of fact, operate as a severe handicap upon Canadian trade with the United States. There are many other phases of the situation that appear to figure largely, but this one may be taken as a sample of all.

It ought not to be necessary to enlarge upon the various reasons why a friendly and considerate policy ought to be pursued by this country toward Canada. There are many such, and most of them are based upon the highest grounds of international good feeling. For the immediate purpose however, it is necessary only to refer to an obvious, but essential consideration —it would be bad business for us to do anything that could alienate the good feeling of the conservative men in Canada, or that could afford a reason to those who are always seeking to find some cause of offence in our conduct for attacking our trade and subjecting it to hardships.

The Journal of Commerce has on former occasions called attention to the fact that our export trade is a home industry which is greatly in need of attention.

The Boston News Bureau on the same date gives out the following:

It may not be true, except as a matter of business policy, that "the customer is always right." But two great neighbours who are a geographical unit would gain more from an approach to economic unity than from a tariff war. Far better the greatest possible interchange of goods than an unconsidered increase of duties that would affect adversely a fifth of our entire export trade.

In connection with the findings of the ways and means committee at Washington during the months of January and February, I would quote the following:

But industry and finance speak with divided minds. There are some great enterprises in this country that require foreign markets. Such industries as the automotive, secure in their dominance of the domestic field, are more interested in cheapening costs of production to improve their competitive position abroad than in the tariff. Other manufacturers want cheaper materials from abroad, like dyestuffs, to enter the country. Merchandisers, naturally, seek cheap supplies of finished goods. International bankers are becoming so heavily committed in other countries that there has developed in that quarter a more liberal view toward opening the American market to products of specific foreign industries or countries.

The foregoing quotations indicate that the tariff policy of the United States has created there a condition which has become quite acute; and to-day, owing to the far-seeing policy of this government, we find ourselves in a position where we can await with complacency any action taken by the congress of the United States, feeling that in our present industrial situation we can fully cope with any contingency that may arise. It would be a great calamity if, after more than one hundred years of peaceful relations between Canada and the United States, and at the present juncture, when the relations between that country and Great Britain demand that we become more or less the liaison nation between them, we should enter upon a policy of retaliation in respect of the United States. I say to my hon. friends opposite, therefore, that, in my opinion at any rate, our position in that respect at the present moment is far better than it would have been had we adopted their policy of "no truck or trade with the Yankees" or their high tariff policy of "brick for brick" with the United States. We have lived peacefully with our neighbours, and under the existing conditions we have grown to prosper. If, therefore, we continue on the lines along which this nation has prospered, we are bound in the very near future to take our place amongst the leading nations of the world.

Mr. H. E. SPENCER (Battle River): In rising to take part in this debate I wish first of all to congratulate the Minister of Finance (Mr. Robb) on the very fine presentation he made to the house in submitting his budget. I wish also to congratulate him upon being able at the present time, with the trade of Canada as it is, to announce a surplus of some $69,782,000. To this extent the national debt has been reduced.

The budget has been praised by all members to the right of the Speaker, quite naturally, and criticized by those members who call themselves the official opposition. This is natural under the party system; but as one who does not believe in the party system I will neither praise entirely nor blame entirely the matter contained in the budget. I shall not stint in my praise of those things in it which I think deserve praise, nor shall I hesitate to criticize where criticism is due.

During his speech the Minister of Finance referred a good deal to the prosperity of the country. I am glad to say that to a certain extent there is prosperity, if you take bank clearings, car loadings and so forth. But can we say that we have prosperity throughout this country if the standard of living among the masses of the people is not as high as we might prefer it to be? I would say that 80 per cent of the people of Canada are more

worried over making both ends meet than over spending any surplus income which they might have. If twenty people have an aggregate income of $50,000 yearly and one of the twenty happens to receive $40,000 of that total, there is not very much left for the other nineteen.

When all is said and done, what is prosperity? According to aggregate statistics the people of the United States have it in abundance, yet James J. Davis, the United States Secretary of Labour, as recently quoted by the Calgary Albertan, states that 86 per cent of the Americans are poor. Figures compiled by the Federal Trade Commission at Washington show that one per cent of the people own 59 per cent of the wealth of the country; 13 per cent of the people own 90 per cent of the wealth; 87 per cent of the people own only 10 per cent of the national wealth, and of the total national income 50 per cent goes to capital. The United States is enjoying great prosperity; so is Canada, to a certain extent, but if Canada is similar to the United States in the figures I have given,—and I think we are very much like that country in this respect, can we say that we have general prosperity?

We find that our national debt is still very large, totalling $2,227,068,000. A certain amount of that debt is being written off this year, but I claim that we should have a more systematic way of dealing with this debt than by chance surpluses shown in the budget. A few nights ago the hon. member for Wetaskiwin (Mr. Irvine), speaking on the budget, made some reference to the need of care being exercised by the Minister of Finance in either paying debts or issuing bonds. At the time the Minister of Railways (Mr. Dunning), was rather critical of the statements made by the hon. member, but I claim that my hon. friend from Wetaskiwin was treating a serious subject in a very able way, and it would be well for this house if more hon. members made a study of the problem my hon. friend was trying to place before us. In my opinion care should be taken by any Minister of Finance not only in issuing bonds but also when he is paying off debts, because if instead of taking advantage of the Finance Act and the treasury board we raise money by issuing bonds or treasury bills, it is a fact that as the hon. member for Wetaskiwin said—in the paying of a government debt we simply create a private debt. To meet the payment of a bond coming due, the Minister of Finance must obtain money through taxation, either directly or through tariff taxes, but in any event the taxes are drawn from the people. They are paid to the minister, and he pays them out to meet the bonds or treasury bills. That money is again released, but it is released only to investors, and while the taxpayers are many the investors are few. If the Minister of Finance tries to pay off large debts in dull times he reduces the purchasing power of the people and drags down prices, making times so much harder; on the other hand it is essential that we should try to raise as much money by way of taxes as the people will stand in prosperous times, when the effect of paying off amounts owed by the government will not be nearly so harmful. There is no doubt in my mind that in Canada we have not taken advantage of times of inflation to pay off our debts. The greatest mistake of all was made during the time of the war, when we did not tax the people who were making large incomes to meet a part of the war debt which was being created.

Referring again to the necessity of watching not only the issuing of bonds, but also the paying of debts by the government, I would remind the house that with a given amount of money and a given quantity of goods, if you put more money into circulation and do not increase the quantity of goods, you will enhance prices, assuming that the velocity of money in unchanged. On the other hand, if you reduce the amount of money by taxing the people heavily, and do not alter the quantity of goods available, you will change the basis of the purchasing power by lowering prices; and therefore it is the business of any Minister of Finance to watch both the payment of bonds coming due, and the issuing of new ones, so that he can act according to the necessities of an inflation or deflation period.

Looking for a moment to the revenue of the country I find that in customs import duties we raised no less than $185,000,000, or 41.11 per cent of our total revenue. According to the Liberal Party handbook of 1919, it is claimed that for every dollar raised by customs duties at least three dollars go into the pockets of protected interests. If this is true —and we will take them at their word— in raising this $185,000,000 for the exchequer $555,000,000 has gone into the pockets of protected interests; if we add the two amounts together we find that this year the people have been taxed to the extent of $740,000,000. Does this look very much as though the party in power have gone very fair in redeeming their promises of lower tariff, or have travelled very far toward the ultimate goal of free trade? From excise taxes, the stamp tax and the sales tax we received $81,500,000 or

18.11 per cent of the total; through the income tax we received $58,500,000, or 13 per cent of the total, and by means of excise duties $63,500,000 or 14.9 per cent of the total. I notice that the income tax stands fourth in the amount of taxes produced, and I want to congratulate the Minister of Finance and those who assisted him in drawing up the budget in that they have not seen fit to reduce the income tax as a certain minority throughout this Dominion have requested during the last few years. During this period of so-called prosperity—and I will admit that it is a prosperous time for the few if not for the many—I will say that we might have gone further and increased the income tax on a sliding scale in order to obtain a little more revenue to pay off a little more of our national debt.

The following are a few items of expenditure:

Penitentiaries	$ 1,800,000
Health	900,000
National defence	18,000,000
Scientific institutions	1,100,000
Agriculture	7,390,000

It is rather a blighting criticism to make when one can say that we are spending twice as much on our penitentiaries, in this law-abiding country of Canada, as we spend on health; that we are spending on scientific institutions only about half of what we spend on our penitentiaries; that we are spending $18,000,000 on national defence, just after having signed a peace pact to outlaw war, and not quite half that amount on the basic industry of this country which employs 54 per cent of the population. I think those figures will be worth looking into, and I am sure that certain adjustments could be made with profit.

In looking over the budget speech of the Minister of Finance, I notice that we are paying annually for the cost of the last war no less than $162,911,000, or 42.3 per cent of our total expenditure. We know very well that the last war was an absolute failure, both to victors and vanquished. What are we doing in a public way to eradicate the roots of war and eliminate the possibility of another such conflagration? We know that wars are no longer caused by religious controversies or national animosity, and very rarely by the need of land for national expansion. But we do know that there is an economic war going on all the time which, if we do not find ways and means to stop it, will lead to military warfare. It is rather interesting when you consider the fact that in olden times the victors in any war always took goods away from the vanquished. To-day all that is changed. When we have half the world at war with the other half to-day, what do the victors do? We know what they did under the treaty of Versailles: they tried so to arrange things that the victors could force their goods on the vanquished—just the reverse of what was the custom in days gone by. Why is this? Through the aid of science and machinery we have brought about a condition where we have to face the problem of consumption and not of production. Science is rapidly transferring the work from the shoulders of men to that of machinery, and it will only be a few years before we will see individual factories in industrial countries—and most of the countries are becoming industrialized—operated by a dozen men only. Under such conditions we have to recognize that unemployment is a sign of social development. We cannot consider unemployment as a passing event or something that will happen only now and not next year, because the countries are turning out goods so much more rapidly than in the past they feel they are forced to look for markets abroad. Most countries are also putting up tariff barriers of one kind or another in an effort to prevent goods from coming in from the outside. If we do not put a stop to this economic warfare it can only lead ultimately to military warfare.

I congratulate the government on the various treaties they have negotiated in an endeavour to get away from this condition, but I cannot agree with their Australian treaty. I think that was a one-sided proposition, because they penalized agriculture for the benefit of industries which were better able to look after themselves. I criticized it and I voted against it when it was before this house. I did so because I believed it worked a hardship on the public of this country in the matter of a very necessary food—raisins. A three cent duty was put on raisins in anticipation of obtaining most of this commodity from Australia. The latest figures I have been able to obtain on this question show that although we consume annually some 37,000,000 pounds, Australia has only supplied us with 824,000 pounds.

I appreciated the minister's budget speech very much, but I would have liked him to go into the problem of how we are to meet this situation of economic warfare and obtained his suggestions how to prevent it from going on and turning into something worse.

The minister claimed that he had a trade balance of $154,100,000, and he tried to make the house believe that that was something to the advantage of Canada; that it was something we could put aside to our credit and

use another year. I think it would have been only fair had he reminded the house that this balance should be put against certain invisible items which are now figured against us, such as freight payments and receipts, tourists' expenditures, interest payments and receipts, immigrants' remittances, expenditures of government, charitable and missionary contributions, insurance transactions, advertising, motion picture royalties, and capital of emigrants and immigrants. When all such items are taken into consideration any difference shown would represent capital movement into or out of the country.

Much criticism has been made during the course of this debate, particularly by hon. members directly to the left of the speaker, with regard to the large amount of goods which the United States send to Canada, compared with the goods Canada forwards to that country. The hon. member for Fort William (Mr. Manion) stated the other day that although the United States send so much more to us than we do to them, on the other hand several other countries treat us much better. He referred to the following countries, and said:

> The Argentine buys from us nearly twice as much as we buy from them; Belgium two and a half times as much; Brazil over three times as much; Chile nearly seven times as much; China over six times as much; Denmark twenty-five times as much; Germany two and a half times as much; Japan three and a half times as much; the Netherlands over five times as much; Portugal eight times as much.

I ask the hon. member this question: if it is not fair for the United States to send more goods to us than we send to them; if he is advocating that we trade fifty-fifty with the United States, surely he must be logical and suggest that we should cut down our exports to the different countries I have named until we are on a par with what they are exporting to us. Trade is a natural development and no goods will come into a country unless they are required.

The minister states that about one-third of our total exports is grain. I should like to remind him that if we consider the tremendous percentage of our exports that grain constitutes, we should be placed in a position to secure our farm machinery just as cheaply as possible. We have no opportunity of taking advantage of the tariff schedules, and therefore I advocate most strongly what the hon. member for Last Mountain (Mr. Fansher) asked for a few nights ago, namely, that the Minister of Finance reduce the tariff on combine harvesters from where it is at 10 per cent to 6 per cent. It is, I think, intended to come under the 6 per cent schedule, and it is only fair that in a business like agriculture where we are producing so much of Canada's exports, and where we cannot take advantage of a protective tariff, we should have consideration in this respect.

I notice the hon. member for South Wellington (Mr. Guthrie) gave the price of the Massey-Harris binder, eight-foot, at $288. That might be so in eastern Canada, but in the west we pay $325 for the same machine. To give the house an idea how prices have risen in western Canada, I might point out that the same type of machine could be bought seventeen years ago for $165 to $170, whereas to-day we are paying $325 for it.

While I am making reference to grain I should like to say a few words regarding some trouble we have been having lately with the Board of Grain Commissioners. Hon. members know full well that some little time ago an amendment was passed to the Grain Act known as the "Campbell" amendment, the purport of which was to enable the farmer to consign his grain in carload lots to a terminal elevator of his own choice. If this amendment had been carried out in the spirit in which it was passed, the pool elevator terminals would have received in a normal way more than 50 per cent of the grain of the country; but owing to outside grain interests bringing out what we usually term a "hybrid" ticket, and this being permitted by the grain commission, a very large quantity of grain has been diverted from its proper and intended channel to other terminal elevators. It has been suggested that amendments might be made to the Canada Grain Act, but what is the use of making more amendments to the act unless we enforce the act as it stands at present? We need amendments, but if whatever amendments we pass are not enforced better than the present Grain Act is, it is useless passing them. I would therefore request that the government at the earliest possible moment see that the Grain Act is carried out as it was intended; otherwise they should find a new board to look after it.

I should like to say a word with regard to this last year's crop in western Canada. There seems to be very little known in eastern Canada of the unfortunate set-back we had in the west during 1928 owing to the effect of frost and some hail. It was very unfortunate that a good deal of idle boasting was done by misinformed people—not by people on the land. This misinformation had the effect of lowering the price of grain. Canada as a whole will suffer through the partial failure of the crop, and there is no doubt that in twelve months, business throughout Canada will feel it.

I notice that the Minister of Finance, during his budget speech, made this statement:

> Our dollar is no longer at a depreciated value.

I should like to remind him that a slightly depreciated currency is sometimes a good thing; that exports can always be sent more readily from a country with a slightly depreciated currency. Moreover, if the money is too dear, it is all the easier for goods from outside to enter. We are in a peculiar situation with regard to Germany, a country that was our main enemy during the war and was defeated. One would think she would be on her knees, but we find through her manipulation of her currency—and I am not supporting that manipulation—the situation to-day is that Germany has a per capita debt of $8.67 as against Canada's per capita debt of $246.64.

I well remember a few sessions ago the consideration being given in the house to the building of several ships for our West Indian trade, and it was found out at the time, that if those boats had been built in Germany instead of in Canada, we could have secured them at half the price. This alone shows that we should pay more attention to how to handle our own credit, and that it is not always safe to consider you are in the very best position possible just because your dollar happens to be at par.

Another statement made by the Minister of Finance was as follows:

> As the years go by an increase in quantity of our domestic production must necessarily be marketed abroad.

What does he mean by this? Does he mean that as the years go by we must have more and more of our goods sent to other countries and not receive anything in return? On the other hand, does he mean that if we export more and more, as I hope we shall, we shall naturally have to receive more and more goods and services in return? That is the only way in which we can trade. If he does not mean that; if he means we are going to send something away and not get anything in return, I am afraid his argument will not hold water. I claim that all countries must consume the money value of their total production, allowing, of course, for all natural exchange of goods and services. If we are not doing that, there is certainly something wrong with our economics.

I am glad to see the slight reduction in the tariff and the benefit that will accrue to the mining and fishing industries. I should like to have seen more attention paid to agriculture, and to the rank and file of the people in the way of cutting down the tariffs on not only boots and shoes, but woollen underwear, something that is so essential in this country.

I know the Minister of Finance wants to get the feeling of the people across the Dominion of Canada, and therefore I am going to read a short resolution passed by the United Farmers of Alberta at their convention this year:

> Whereas the farmers of Alberta have to sell their produce in a world market and at the export price, and whereas their purchases are made in a restricted and protected market, therefore be it resolved that this convention go on record in favour of the principle of world free trade, and in the meantime, support the general policy of substantial reduction in the tariff.

I want to say that I appreciate the abolition of the nuisance taxes. It is true that, directly, the poor man will not benefit very much, but I am against the system of nuisance taxes because they interfere with business. I would much rather have the income tax increased—and would of course pay it myself when I had an income to call for it—than to be bothered with a lot of small nuisance taxes.

I am also glad of the altered tax on sales and transfer of shares, and hope to see this idea developed.

A further statement from the Minister of Finance is "that the administration will refuse to support any extravagance in the spending of the taxpayers' money." That, of course, I heard with a good deal of amusement, Mr. Speaker, considering some of the items that passed through this house last year. I might mention, for instance, the item in the estimates—which was ultimately cut down, I think, from $300,000 to $100,000—for dredging at the island of Anticosti. I would also refer to an item of $231,178 for equipping and furnishing of the citadel at Quebec, a vote which was challenged in this house and was carried by a majority of only eight votes. I would also point to what I consider the unwarrantable expenditures last year at the harbour of Quebec.

I wish to say a few words, Mr. Speaker, in support of the tariff advisory board. The principle of the tariff advisory board is, I think, perfectly sound. It has been criticized as being simply a buffer between those who want protection and the Finance minister. But even if it is nothing more than a buffer I should be in favour of it, because I do not think we have a right to expect any finance minister, whether of the Conservative party, the Liberal party, or the Progressive party, to stand the tremendous pressure that must have been put upon finance ministers

in past years, before the budgets were brought down, by those wishing special favours under a protective tariff. But to-day we have something better; we have hearings before a public commission so that those who are opposed to requests made by different corporations have a perfect right to appear and submit their arguments in support of their claims.

Now, Mr. Speaker, I come to the last phase of my address. We have heard a great deal during this discussion with regard to the possibility of interference with our trade by what the American congress might do. Some hon. members have advocated, particularly those directly to the left of the Speaker, that we should have a special session or give power to the government to raise our tariff in case the tariff is raised by the United States against us. The government, on the other hand, has taken a position of watchful waiting. I am going to suggest, Mr. Speaker, a third way. I think it would be foolishness itself to attempt to carry on an economic warfare with the United States. We are just as liable to be as unevenly matched as though we tried to meet them on military grounds. But we have other means. We have to recognize, and they must recognize, that we are one of their best customers. If they do not want us to trade with them, we do not have to trade with them. We can turn our attention in other directions, and I am going to point to two directions only, although there are many. I am going to point, first of all, to Russia, a country of immense potential markets; a country, I might say, to which a delegation of British industries is going, to investigate for themselves conditions there, with the one idea of creating a greater trade between Great Britain and that country. I have not yet seen a real reason why the Dominion government broke off negotiations with Russia when they did, and I only hope that when the Prime Minister speaks in this debate he will state to the house that so far as the government are concerned they are again prepared to recognize that country.

The other channel in which I think we might develop tremendous trade is that of Great Britain. I strongly urge the view that if we are turned off from a market in one direction we can open markets in the other, by enlarging the British preferential tariff. Great Britain takes enormous quantities of our exports, so why not give them an opportunity of sending us their goods in return?

As my time is coming to a close, Mr. Speaker, and not wishing to break the rules of the house, in support of my belief that we should enlarge our preference for trade with Great Britain, I beg to move a subamendment, seconded by Mr. Heaps:

> That the amendment be amended by striking out all the words after "house" and substituting therefor the following:
>
> "urges upon the government the consideration of an immediate and substantial increase of the British preference as a step towards freer trade relations between Canada and other nations."

Mr. J. E. LAWSON (West York): Mr. Speaker, as I was so fortunate as to be elected a member of this House of Commons by acclamation, I shall not regale the ministry with recriminations as to election pledges. They, in their collective wisdom, deemed it advisable not to create the necessity of mak ing promises in the constituency of Wes York.

In this, my first utterance in this chamber, I desire to advance a plea on behalf of the vegetable growers, of West York in particular and of the Dominion of Canada in general. I am inspired to that subject by the hope that the government will justify, by action, the policy enunciated on its behalf by the Minister of Finance (Mr. Robb) in his budget address to this house when he said, referring to the government:

> Its policy is to encourage production at home and the marketing of our excess of production abroad.

Under normal conditions the vegetable growers of Canada require no assistance from the government, but when there is a surplus of production in the country to the south then some protection is required for our home market. Climatic conditions do not respect international boundaries, and it must be borne in mind that we are on the northern fringe of the vegetable-growing belt of the North American continent. The normal movement of the vegetable products is from south to north. In the most southerly states the crop—let me take, for example, tomatoes—ripens about the middle of April, and the vegetable growers obtain for the first tomatoes they put upon the market, we will say, eight dollars a bushel, a little later on seven dollars a bushel, and a little later still six dollars a bushel, until such time as they have obtained a return which covers the cost of production plus a reasonable profit. In years of plenty they still have several hundred bushels of tomatoes in their fields, on which, if they can realize the cost of picking and shipping, plus the freight rate, they are that much better off. So they pick this crop and start it "rolling" as it is termed in the trade. They have not found a market

for it, they have not even arranged a sale. The crop is started rolling north, and the commission agents along the line are wired to dispose of the commodity at whatever price they can obtain to cover the freight rate and the other costs. So just at the time when the vegetable growers of Ontario have their product ready for the market it is glutted with the surplus crop from the south. Hence the home market is destroyed, and in some cases our tomatoes are left to rot in the field.

Year after year since this government has been in power nothing has been done to preserve the home market, and yet its avowed policy is "to encourage production at home and the marketing of our excess of production abroad." I know some hon. gentlemen will say that if a certain amount of protection is given to the home market you prevent the public from profiting by the bargain prices which sometimes prevail. If the allegation is that this is a temporary condition, I will not attempt to deny it. But what do we find? When our market is glutted with an excess of American production our vegetable growers decrease their plantings the next year. The result is that in time the home market is lost, and just as soon as that happens those who advocate the doctrine that I have referred to will find that no longer will the surplus from the south be started "rolling"; it will be sold in Canada at a fixed price, and our consumers will not in any way benefit.

Let me take the alternative suggestion: Assuming that our market is adequately protected, what will happen? If our vegetable growers find that this year they have a good home market, then next year they increase their plantings, and by virtue of that their cost of production is reduced, the ratio of profit which they require can be spread over a much larger field, and in the long run the consumer in Canada, although at times he will lose a bargain price, will get lower maximum prices at other seasons of the year. In that way a safe, sound and stable home market will be preserved for our home grown products.

It seems to me, Mr. Speaker, that we have a selfish as well as a public interest in maintaining such a market. I find surrounding all the large centres of population in this country great numbers of returned soldiers who have settled upon the land. In appreciation of the services which they rendered Canada we placed legislation upon the statute books to assist their reestablishment in civil life. I find that in the province of Ontario alone the Soldier Settlement Board has for this purpose advanced $9,367,062, thousands of dollars of which are loaned right in the constituency of West York, which is contiguous to the city of Toronto. Those loans bear interest at five per cent, amortized and repayable in twenty-five years. Surely as business men charged with the administration of the public affairs and the public funds, we are desirous of creating and preserving a home market for our vegetable growers, so that those men may be provided with the wherewithal to repay their loans.

Our present tariff is wholly inadequate for this purpose. With one exception, I think potatoes, we have an ad valorem tariff varying in percentage, but—to continue my illustration—the rate on tomatoes is fixed at 30 per cent. May I ask hon. gentlemen what is the advantage of an ad valorem duty of 30 per cent, when that duty is imposed at the point of shipment and not at the point of entry, and when the tomatoes to which I have referred may be selling at fifty cents a bushel in the far southern states from which they have been started rolling? Such an ad valorem duty will not preserve our home market, and yet the policy of the government, as enunciated by the Minister of Finance, is to encourage production at home and the marketing of our excess of production abroad.

Now, sir, I would feel that I had been remiss if I did not suggest a remedy. The remedy required to preserve the home market for our vegetable growers is a seasonal specific duty of so many cents per unit of any particular commodity. This suggestion is not original; I believe some thirteen countries of the world have such a seasonal specific duty in force to-day. The Advisory Tariff Board, to which the hon. gentleman who preceded me (Mr. Spencer) referred, had a hearing of the vegetable growers and horticulturists of Ontario on December 16 and 17, 1926; they had a second hearing on February 22, 1927, and a third hearing on December 8 of the same year. I find on referring to the estimates that this tariff board costs us $120,000 a year for maintenance; it pays $71,000 a year for advisers, a total of $191,000, in order that, having been advised by their advisers, they may in turn advise the Minister of Finance, and yet they have allowed fifteen months to elapse without rendering any such advice following those hearings. Or if they have rendered any advice to the minister then he has failed to advise the market gardeners of this country what they may expect in the way of protection for their home market in the year to come. And yet the policy of this government is "to encourage production at home and the marketing of our excess of production abroad." I wonder if, while there

is yet time, the government will justify by action that policy which the Minister of Finance enunciates, or leave it merely as a euphonious phrase for the consumption of those who, apparently in the opinion of this government, are the gullible electorate of Canada.

Mr. J. E. LETELLIER DE ST. JUST (Compton): It is a great pleasure to me Mr. Speaker, to rise at this time to express my views on the present budget, and I wish to extend my heartiest congratulations to the Minister of Finance (Mr. Robb), on his ability in the success obtained on realizing such an important result. The people of Canada welcomed last year's budget, which caused great joy and brought about the largest sale of certain classes of goods resulting in great benefit to the people of this country. The expectation of the people, this year, was for a further reduction of the sales tax. Surely they have not been deceived when we contemplate a reduction of the net debt in 1928-29 of $69,782,000. From the beginning of the fiscal year 1923-24 to the end of the present fiscal year, the net debt has annually decreased, the total reduction in the six-year period amounting to about $226,708,000, or a yearly average reduction of some $37,700,000.

It is evident that the people of Canada are not all satisfied with the budget, but it seems fair to say that the great majority of Canadians know very well that, with the conditions that the King government had to face during the past years, it would have been impossible for any finance minister to satisfy everybody. I am more than delighted to concur with the minister and to give him all my approbation when I realize the influential support he receives from the most important business associations and boards of trade of Canada. These associations comprise a large membership. I do not believe I am mistaken in saying that there are more than 100,000 merchants who are distributing over $4,000,000,000 worth of goods each year, or an average of approximately $421 per capita; and they are satisfied to proclaim that there is great prosperity in the country, in that the distribution of goods in the year 1900 as compared with the present would be about as 3 is to 5. This will be nearly enough a correct calculation, without considering the increased needs of the public. The value of the goods distributed in 1900 would have been only $2,400,000,000 if we had our present population, but as we had then over 5,000,000 people as compared with 9,500,000 to-day, we have to reduce the amount of goods consumed by the relative proportion of population. On that basis the value of the goods distributed in 1900, amounted to approximately $1,400,000,000 as compared with $4,000,000,000 to-day. This shows the growth of distribution with the progress of other development in Canada during the past twenty-five years, and yet there are people who criticize the government, proclaiming that there is no such prosperity existing in Canada. The widely prevalent belief, Mr. Speaker, that Canada is entirely dependent upon capital from outside sources to finance her development is rudely dissipated by the disclosure that the Dominion is exporting more capital than she is importing, and has been doing so for the past four years. Canada has always had considerable investments abroad in the form of banking balances in London and New York, railway lines in the United States, and investments in foreign securities by banks and insurance companies as well as by private individual who require well diversified lists of securities. A rising Canadian prosperity, however, with a greater volume of funds seeking investment outlet, has resulted in a situation where the capital to leave the country exceeds by a substantial marign that coming in.

In 1925 the figures of Canada's capital exports over capital imports in round millions were $150,000,000; in 1926, $90,000,000; in 1927, $30,000,000; and in 1928, $25,000,000. The decline in these figures for the last two years is explained by a growing Canadian interest in domestic securities. An increasing absorption of Canada's part of her own bond issues has been a feature of the past few years. In both 1927 and 1928 the Dominion accounted for roughly 50 per cent of the total bond sales, in the former year exceeding the purchases of these issues by the United States. In 1925 Canada had even an export balance in capital with the United States, and in each of the last three years Canadian capital account with the republic has practically balanced.

After careful compilations Canadian investment abroad in 1928 is placed by the Financial Post at $177,000,000, as compared with $207,000,000 in the previous year. Of the 1928 total $112,000,000 went to the United States, $63,000,000 to other foreign countries, and $2,000,000 to the United Kingdom. Taking into account the decreases in government and bank balances due to the expansion of business at home a net new investment of $157,500,000 is left as against a net of $184,000,000 in 1927, and after deducting $11,000,000 from this account and $35,000,000 from other countries, we have a net increase of $59,500,000. A deduction of $5,000,000 in government and bank balances from the total going to the United Kingdom results in a

net loss of $3,000,000 in new Canadian investment in that country. Based on figures issued by the Dominion Bureau of Statistics as of January 1, 1927, careful estimates made upon information from most reliable sources by the same authority give the total of Canadian investments abroad on January 1, 1928, at $1,514,500,000 and on January 1, 1929, at $1,672,000,000. Of this total at the opening of the present year Canada had $939,000,000 invested in the United States, $112,500,000 in the United Kingdom, and $620,500,000 in other countries.

This survey furnishes further proof of Canada's advance among the creditor countries of the world as a factor in international finance, with capital furthering industrial developments of many kinds in many distant parts. Investments by Canadian insurance companies in diversified foreign securities continue to increase rapidly with the development of both their domestic and foreign business. Direct Canadian investments in branch plants in the United States commercial field and elsewhere are growing steadily. Canadian holdings of New York stocks and of European and South American government bonds have increased enormously, and altogether the record testifies most eloquently to Canadian prosperity and world progress:

Canadian Investments Abroad

	1927	1928
British	$118,479,000	$112,500,000
United States	723,328,000	939,000,000
Other countries	488,779,000	620,500,000
Total	$1,330,586,000	$1,672,000,000

Now, Mr. Speaker, I pass to the agricultural industry, and with great pleasure and true spirit I say that since the beginning of the year 1922, when the present administration assumed office, many new policies have been introduced and developed by the federal Department of Agriculture with a view to increasing agricultural production, and many of these policies have had no small part in bringing about the present prosperity which Canadian agriculture enjoys. These new policies have naturally involved greater expenditure on agriculture on the part of the federal government and the employment of a greater number of agricultural workers, but this expenditure has been more than justified by the increase of our agricultural wealth and in our agricultural revenue which can be traced, directly or indirectly, to those new agricultural activities. In dealing with these new activities probably it will be well to follow the organization of the department and discuss it very briefly, branch by branch.

[Mr. Letellier de St. Just.]

As the Dominion experimental farms provide the basis for the working out and the demonstration of problems dealing with Canadian agriculture in all its phases, new activities on these farms naturally must have a most important effect over a wide area. During the seven-year period under consideration this organization has grown in size, volume of agricultural research and practical aid to the farmer to a degree greater than any previous fifteen-year period in its history. I wish to take the opportunity of expressing my appreciation to the Lennoxville experimental farm, by which the farmers of the eastern townships district, have acquired considerable knowledge through the activities of the active superintendent, Mr. McClary. Many contests have been held there; many old and young farmers have received most important lessons in judging milch cows, and greater interest has been fostered by the establishment of this policy. I have been personally taking a great interest in this special work of helping boys' and girls' clubs in their work in connection with cattle, sheep and swine in my constituency, and I am more than pleased to mention to the members of this house that I was greatly honoured during the course of the year 1927-28 through the members of the young breeders' clubs of the following places obtaining the best classification with their milch herds at the great eastern township exhibition held at Sherbrooke lu 1927 and 1928: Compton, Waterville, Bury, Bulwer, Sawyerville, St. Hermenegilde, St. Hedwidge, East Hereford, St. Malo. The hon. member for Sherbrooke, (Mr. Howard) has taken a great interest in the farmers, and he was a witness of this event. Great progress has been noticed since the federal department stated its calf club work in 1923. The encouragement given to the younger generation and the interest fostered among them by these club activities has been reflected in the marked improvement in live stock production in the districts in which clubs have been organized. I hope the department will continue to give assistance to these organized clubs and develop new efforts through their agronomist in urging new clubs to cooperate with the provincial government.

I desire also to voice my appreciation of the dairy and cold storage branch. The two main lines of endeavour inaugurated by this branch since 1922 have been that of dairy produce grading and the inception of dairy research work. The dairy produce grading has resulted in a great improvement in quality, while the publicity given to that quality through the grading records has brought about a new attitude on the part of

producers and manufacturers. The grading has facilitated the trade in dairy produce and increased the good will shown toward Canadian dairy produce in the markets of the world; the increased premium which Canadian cheese now receives on the British market is due very largely to this grading system. Not only on the export markets, but also on the domestic markets has the improvement in the quality of our butter and cheese been marked. The Canadian housewife can now be more reasonably sure of the quality of the dairy products which she purchases. The investigations of the dairy research division have enabled the butter makers and cheese makers to correct some serious defects in the quality of their butter and cheese. Through the elimination of losses considerable profit has been added to the proceeds received from this industry.

The estimated value of the cheese and butter produced in the province of Quebec during 1928 is $30,098,541. This represents a total production of 1,452 factories in the province, as per the reports made by the inspectors at those provinces. This number is made up of 678 butter factories, 537 cheese factories and 238 combined factories, and constitutes an increase of three factories as compared with the number operating in 1927. The production of 721,924 cows was used in these factories. The production of a number of cows was used to produce butter for consumption in a few cities. The number of cows producing for these factories in 1927 was 679,119, so the 1928 figure shows an increase of 42,175 cows. The number of pounds of butter manufactured was 54,904,046 pounds as compared with 55,098,768 pounds during the preceding year, a decrease of 194,722 pounds. The total output of cheese was 44,326,885 pounds as compared with 37,510,737 pounds during the preceding year, an increase of 6,816,148. The minimum price per pound received for butter during 1928 was 37.9 cents, and the price received for cheese was 20.9 cents. This represents an increase of 12 cents per pound for butter and 28 cents per pound for cheese, as compared with the prices received during the previous year. The sale value of the butter produced by the factories in 1928 was $20,832,898 as compared with $21,216,505 during the preceding year, an increase in value of $616,393. The sale value of cheese produced amounted to $9,265,643, as compared with $6,805,658 in 1927, or an increase of $2,459,985. These figures were submitted by the inspectors and were sent directly to the provincial agriculture department, and therefore might be subject to some revision.

The work of bovine tuberculosis eradication through the restricted areas has been and is of incalculable advantage to Canada's stockmen and to Canadian citizens generally. It means more profitable herds and healthier people. There are now about 1,000,000 cattle under this system, and the related policies of accredited herds and municipal testing. The most effective method for the control of bovine tuberculosis so far is that of eradication by slaughter of reactors. This work is carried out in definite areas under the restricted area policy put into operation in 1922. Since that time over 700,000 cattle have been tested in the nine areas already established or in process of establishment.

I should like to mention a few details about the sheep industry, which is one of the most important industries in Canada. During 1928 Canada added 153,082 sheep to her flocks, the increases over the previous year being 4·6 per cent. Every province, without exception, added to its sheep holdings. Ontario, in which approximately 53 per cent of the sheep of the Dominion are to be found, increased its sheep population by 57,839, or more than 6 per cent, while British Columbia added 40,064, or nearly 33 per cent. Other increments ranged from 5,000 in Alberta to 13,060 in Saskatchewan. The relative standing of the various provinces in the middle of the year was as follows:

Province	Number of sheep
Ontario	1,014,106
Quebec	863,757
Alberta	515,000
Nova Scotia	270,461
Saskatchewan	183,098
British Columbia	169,057
New Brunswick	160,514
Manitoba	144,713
Prince Edward Island	97,082

The related wool clip of 1928 discloses a pleasing progress in this industry. An increase of more than 5 per cent is shown in the volume of the Dominion clip, in which increment every province without exception shared. The total Canadian clip is estimated at 19,611,430 pounds, worth $5,099,000, as compared with 18,672,766 pounds worth $4,108,000 in 1927. The following are the figures for the various provinces in order of importance for 1928 and 1927:

Province	1928 Pounds	1927 Pounds
Ontario	5,677,088	5,326,651
Quebec	4,969,126	4,956,418
Alberta	3,116,609	3,033,181
Nova Scotia	1,535,462	1,480,541
Saskatchewan	1,064,608	987,458
British Columbia	973,400	717,892
New Brunswick	916,007	873,724
Manitoba	801,468	765,609
Prince Edward Island	549,675	513,882
Indian reserves	17,987	17,410

A large number of my farmer constituents are greatly interested in the development of their flocks.

Another important factor which has contributed to the progress and development of poultry breeding is the effort made by the Department of Agriculture in organizing the holding of the World's Poultry Congress in Ottawa in 1927, which undoubtedly had a tremendous effect in stimulating the Canadian poultry industry, and at which Canada, and especially Ontario and Quebec, held first rank among the many countries which exhibited.

In conclusion, I should like to direct the attention of the government to the many colonization lots which are available in my constituency. The soil of these lots is of the most fertile nature, and I wish to impress upon the Prime Minister (Mr. Mackenzie King), the Minister of Immigration and Colonization (Mr. Forke) and their colleagues the other members of the cabinet, the importance of giving consideration to colonization bill No. 16, which was introduced in 1926 but which, on account of the dissolution of parliament at that time, did not become law. I believe this bill could be redrafted so as to help a certain class of labourers who are actually working in mills and factories, but many of whom have been brought up on farms and with a little help of this nature would be willing to take up some of those lots and make them profitable for themselves and the country. I have also received requests from parents having as many as four young men in the family who are just at the proper age to do splendid work on farms and who, if they were protected by such a law, would be willing to purchase some of these lots. If this legislation were passed it would promote great interest amongst labourers who have children of age to help them while they were getting established on the land, and later on these children could establish themselves on farms of their own where I should think they could do splendidly. At the same time it would prevent emigration and induce many Canadians to return to farming, a consummation which would be of the greatest benefit to our national life.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, in rising to make a few observations on the budget, I must first of all say that I believe the financial statement of the Minister of Finance (Mr. Robb) has been well received from coast to coast. In this house, however, it has met with two amendments. The acting leader of the opposition (Mr. Guthrie) presented an amendment for the party to your left, Mr. Speaker. True to form, they regret that the financial proposals of the government make no provision for reasonably safeguarding and protecting the interests of those engaged in agricultural pursuits and in industrial employment in Canada. Then we have to-night an amendment by the hon. member for Battle River (Mr. Spencer), which calls for an increase of the British preference.

It would thus seem, Mr. Speaker, that the government is faced with two votes of want of confidence, first, because they have not more adequately protected the interests of Canada, and secondly, because they have not extended the preference more widely throughout the British Empire. Of course, we must have a tariff against non-preferred countries or we cannot extend a preference, and it seems to me, Mr. Speaker, that this government has fairly steadily and consistently been making trade treaties to increase our trade throughout the empire. Trade treaties have been made with the United Kingdom, with Australia, New Zealand, South Africa and the West Indies, and I hardly see that they are open to a vote of censure because they have not acted energetically enough in that regard.

Now, Mr. Speaker, owing to the widespread circulation of the press, and the news which is broadcast by radio, the people to-day are well informed, and I believe that the people of the rural districts are particularly well informed as to the conditions confronting the country at the present time. They have heard —and they have been watching with some anxiety—the news that is coming across the border from the United States. Hon. members here argue that we have nothing to fear from this source. I can hardly agree with that. Our markets suffered some years ago when the Fordney tariff was placed against our cattle going into that country, and already the rumour of a further increase in that particular duty has done much damage to the cattle industry in the west. I believe that definite and considered action will have to be taken, by negotiation and by dealings with countries who will deal with us, but I believe that the real thinking people of Canada will deprecate any attempt to work up an unfriendly feeling with our great neighbour to the south.

The first police barracks, Mr. Speaker, of the royal northwest mounted police were located in the Cypress hills south of Medicine Hat. From there, these pioneers of police forces in Canada, and from other bases, policed the country during the early days. They overcame great difficulties, and they were undaunted by the dangers which beset

them on every hand. Many of those pioneers have, through sickness and old age, been retired, and the pensions which they are receiving at the present time are altogether inadequate to compensate them for the services which they have rendered. I have in mind one brilliant police officer who rose from the ranks to be a superintendent of the police. He died and left a widow and two minor children. The pension she receives brings her below the poverty level, amounting to only $45 or $48 per month, and that, Mr. Speaker, you will agree, is altogether inadequate when we take into consideration the cost of living to-day. The pensioners of the Great war have fared fairly well in Canada. Canada has perhaps done more for her returned soldiers, and her disabled soldiers, than any other country engaged in the Great war. It is true that some are breaking down now, and some deserving cases do not come under the provisions of the act. But on the whole they have fared fairly well. The amount spent by Canada in pensions comes to $42,000,000 a year. As time goes on, more and more will require to be spent, but at this time, Mr. Speaker, I would like to urge the Minister of Justice (Mr. Lapointe) to reconsider the pensions which the veterans of the royal northwest mounted police force are receiving.

Now, Mr. Speaker, there has been much debate as to the capital debt of Canada. We find, however, that the leaders are fairly well agreed that the capital debt is about two and a quarter billion dollars. Mr. R. A. Daly, president of the Investment Bankers' Association, at the eleventh annual convention, proposed that the debt could be retired in forty years if $23,447,000 were taken off it each year, if this amount per annum, said Mr. Daly, would represent the minimum amount to be retired each year. And, as this amount is no bigger than the average amount of debt that has been retired in each of the last four years, it is apparent the plan is perfectly feasible, especially when we consider that we are now running into a much more prosperous period. Perhaps it will not always be possible, Mr. Speaker, to reduce the debt by the same amount. When revenues are high, such as they have been during the past year, a larger amount of debt might be paid off, and if bad years should come, a smaller amount could be paid off.

There has been a good deal of discussion in this house, Mr. Speaker, as to what prosperity is, and I have a clipping here from a western farm journal, The U.F.A., dealing with that:

What is prosperity? The people of the United States have it in abundance, according to aggregate statistics, yet James J. Davis, United States Secretary of Labour states that eighty-six per cent of Americans are poor. Figures compiled by the federal trade commissioner at Washington show that one per cent of the people own fifty-nine per cent of the country's wealth; thirteen per cent own ninety per cent of the country's wealth, while eighty-seven per cent of the population own ten per cent. Startling inequalities of this character are not confined to the United States. British statistics are also very impressive. And in Canada there is exactly the same tendency at work as elsewhere. We are certainly not in a position to give thanks that "we are not as these others". We have no just grounds for national self-complacency, even though inequality may not have reached such extremes in this country as yet as in some of the older commercial regions of the world.

And then I would like to add, Mr. Speaker, that Adam Smith recognized the principles that citizens paying into the public treasury should be taxed according to their ability to bear taxation; and surely in a civilization where the gulf between the average citizen and that of the comparative few who amass large fortunes is constantly widening, the larger fortunes should bear the larger portion of the taxation. I think this is particularly fitting to have on Hansard just at this time when the Finance minister has not reduced the income tax. This year $58,000,000 was derived from the income tax, and the people of Canada will not object to the minister retaining this tax. Those who are paying it are gaining most by the present good times. There are grounds for objecting to the double taxation, but it must be remembered that any incomes doubly taxed are derived from investments; incomes from salary are not so taxed. The present exemptions are so generous that the tax does not bear heavily on the wage-earner with a family.

I believe, Mr. Speaker, that the greatest dissatisfaction in the west at the present time is in connection with the grain grading system. The producer feels that he is not getting the full value for his crop. One inspector may grade a sample No. 3, another inspector may grade it No. 4, and the same inspector may grade the same sample differently at different times, with the result that the man whose grain just misses getting into No. 4 has to take a discount of 17 cents in grade. I am very glad that the whole matter has been referred to the agriculture committee, and I hope some workable scheme will be developed so that this injustice will be discontinued.

Harvesting and threshing combines are being more and more used throughout the west, and if the Minister of Finance could see his way clear, as urged by the hon. member for Last Mountain (Mr. Fansher) to

classify swathers and combines so that they will come in under the six per cent rather than under the ten per cent duty, his action would be very much appreciated.

May I, sir, draw the attention of the house to some of the conditions that exist in the so-called dry belt? In times gone by the settlers there suffered great distress, and many of them had to move out of the district. But experience and better methods of farming have made it possible for nearly all the remaining settlers to make a good living. There are, however, certain difficulties in the way of progress, and I hope this parliament will be able to correct some of them. Last session legislation was passed making it possible for a man to file on a second homestead. In the district called A, south of township 16, in the provinces of Alberta and Saskatchewan, no outsider was allowed to file on a homestead. This turned out to be a wise provision, for if a number of inexperienced homesteaders came in, and there was a return of the dry years, we would have a repetition of all the suffering and poverty and privation that prevailed in the past. At the same time provision was made to encourage those who had remained in the district to obtain more land, and from the handbook issued by the Dominion government I desire to quote the following with respect to area A:

> Lands south of the south boundary of township 16, in the provinces of Satkatchewan and Alberta, are open only for entry to a person who submits evidence satisfactory to the Minister of the Interior that he or she is in permanent residence and conducting farming operations upon a farm of not less than eighty acres and not more than nine miles distant from the proposed homestead.

This second homestead could be taken up by such a person or by his father, mother, son, daughter, brother or sister. The act has been extended to include some other relatives. Unfortunately when the farmer's son or some other close relative applied for one of these available homesteads he found many difficulties. First of all he had to assume responsibility for all relief seed grain liens, improvements, or other debts contracted and standing against the land in the books at Edmonton or at Ottawa. These debts were contracted by the first settler who had abandoned the homestead, but the relative of the resident who took over the holding must assume all those liabilities. True, he may pay off the indebtedness by instalments, but the interest compounded at seven per cent is mounting up all the time. The joint board of representatives of the Dominion and provincial governments may make a reduction, but the prospective settler has no assurance that this will be done. Some of these homesteads have three, four, or five hundred dollars against them, and in certain cases the indebtedness runs as high as a thousand dollars. This is most discouraging to the youth born in the district who wishes to make his home close to his relatives. The case in regard to preemptions is even worse, as the interest piles up to such an extent during the bad years that many deserving men and women find it impossible to retain holdings that they need so badly. Why should the department charge seven per cent interest when they borrow the money at five per cent or less? Let me give the house a few examples of how burdensome this interest becomes. The original price of one quarter section was $456, interest $361, making the present price $817; in another case the same condition obtains, while in a third case the original price of $477 is swollen by interest charges of $284. The farmer under such circumstances finds it impossible to finance his undertaking. The government and parliament of 1910 to 1913 encouraged the people to settle in that district. Those who did so were lacking in the experience necessary to make the venture a success. They made their homes there without warning or advice from qualified persons, and without any supervision. Therefore I submit that parliament should do something to remedy these unfair conditions. Debts due to the crown cannot be reduced by the minister or by any member of his department, nor even by the governor in council. This relief can be effected only by an act of parliament, and I hope that if in the near future the minister sees his way clear to introduce legislation to remedy the evil, every hon. member will support it. If even the accumulated interest could be cancelled or reduced it would bring great hope and encouragement to the people of that large district, and the development which would follow would help also the urban centres. The progress of any town or city depends to a great extent on the prosperity of the surrounding country, and when one large district, namely, the Tilley East area, is virtually not developing at all, and another large district, area A, in that southern country is struggling under such a handicap, city progress must necessarily be slow.

Mr. BRADY: Mr. Speaker, I beg to move the adjournment of the debate.

Some hon. MEMBERS: No, no.

Mr. ROBERT McKENZIE (Assiniboia): It is my intention to take up but a few minutes of the time of the house to make a few observations with regard to the budget. In the first place I would congratulate the Minister of Finance (Mr. Robb) on again bringing to the house a satisfactory budget, the sixth that he has brought down, showing a surplus and a reduction in the national debt as well as a reduction in taxation. The national debt has again been very substantially reduced, and there is also a reduction in the taxes which are collected from the people. Yet in spite of this, we have an amendment moved by the hon. member for South Wellington (Mr. Guthrie) to the effect that:

This house regrets that the financial proposals of the government make no provision for reasonably safeguarding and protecting the interests of those "engaged in agricultural pursuits or in industrial" employment in Canada.

We who come from the farming areas know quite well that it is impossible for any government to impose tariffs which will in any way safeguard the agricultural interests. We know that up to the present time there has been no purely farmers' organization which has put itself on record as being in favour of increased tariffs on their products. The United States has been pointed out to us as an example, but our farmers are wise enough to regard the United States rather as a warning than as an example to be followed. I do not think this government would be well advised to take any notice of the talk about retaliation because of anything which the United States may possibly do.

We have heard from the hon. member for South Wellington something about the increase in expenditures being out of proportion to the increase in the business of the country. In this connection I would suggest that the business of this country is run, after all, on the same principle as and only on a larger scale than is the business of any of the smaller organizations, such as the provinces, our municipal institutions and so forth. We know that during the later years of the war and the few years following we were not spending a great deal of money in keeping our buildings and other property fully up to their usual state of repair. Hon. members here who own property know that in spite of all they were able to do their property depreciated in value owing to the fact that they were not in a position to maintain repairs. Now the Dominion of Canada, when the Prime Minister (Mr. Mackenzie King) took charge in 1921, was in the same demoralized state, and since the year 1921 it has been necessary in some cases to increase expenditures in order to restore public property to a proper state of repair, just as was the case in private businesses.

We have heard a good deal from the opposition in regard to the loss of population; we are told that our people have gone in great numbers to the United States. This, we know, is a fact. I was reading a few days ago in a magazine, an article giving statistics in connection with the United States which went on to show that two-thirds of the citizens of that country who have permanently left the United States are living in Canada, and while it is true that they are getting many of our citizens, it is also true that we are getting a great many people from the United States. After all, is it not only natural that two countries side by side should have a large interchange of citizens? This has always been so. There has always been an exodus from one country to the other, but there has also been the reverse movement. I would point out, however, that the greatest exodus that has been known, in my time at any rate, began when our hon. friends opposite were in power, around the years 1919, 1920 and 1921; and it took considerable time to overcome that.

Mr. ROWE: You have not overcome it yet.

Mr. McKENZIE: Yes; read the statistics and you will find that it has been overcome.

It is not my intention to dwell at any length on the budget; anything I might say would be but a repetition of what has already been said. I desire, however, to take just a little time to mention one item in particular and to point out the effect which a reduction in the tariff will have in the constituency I represent. At page 595 of Hansard, March 1, the Minister of Finance in his speech stated:

The resolutions now submitted provide for a revision of certain tariff items of particular interest to the mining industry. In accordance with the traditional policy of assisting the development of our basic industries, the rates of duty on certain machinery and equipment used in the mining industry have been reduced.

We had the pleasure of hearing a very fine address from the hon. member for Nipissing (Mr. Lapierre) with regard to the metal mining industry. The only mining industry about which I am concerned, so far as the constituency I represent is concerned, is the coal industry, and we learn that it is an industry of considerable proportions in Canada. I find that in the year 1927 there was a production of some 17,400,000 tons odd of coal in Canada, being one-tenth of the production of the world that year. Canada too, we are told.

has the second largest coal resources of any country in the world. The constituency I have the honour to represent has a considerable coal mining area, and for the information of the house I wish to make a statement in connection with that industry.

I am sure that the people engaged in that industry will be very thankful indeed that the Minister of Finance at this time has made a reduction in the tariff in this regard. The coal producing area in the districts of Estevan and Bienfait, in the constituency of Assiniboia, which I represent in this house, has recently arrived at a long sought goal, in the progress of converting their lignite coal, of which there are enormous quantities, into high class fuel by the actual production of briquettes from this soft coal. In this area there is an immense quantity of soft coal, and for a long time the finest scientific minds have been engaged with the problem of marketing this fuel. They have attacked the problem from different angles with a view to utilizing this fuel in the most feasible and profitable manner, and now it is thought that this ambition has been realized through the establishment of a carbonizing plant near the town of Bienfait. In this connection I might say that some years ago a lignite utilization board was formed and after investigation they found that by carbonizing this lignite a coal or charcoal was obtained which briquetted quite readily and without reference to the by-products, such as oils, coke, and so on. The result of this carbonizing process was to turn two tons of inferior fuel into one ton of briquettes, which had approximately the same value as anthracite coal and about the same heating value in the furnace as two tons of the lignite coal from which it was made. At present this process is being carried on at the rate of about one hundred tons of briquettes per day, with the possibility of this output being increased to two hundred tons when the plant is fully in operation.

For the information of the house I might say that some ten or eleven years ago the federal government, in conjunction with the governments of Manitoba and Saskatchewan, spent approximately $1,000,000 in the erection of a plant near Bienfait for the purpose of converting this coal into briquettes. The plant was intended to have a capacity of 30,000 tons of briquettes per year, but this venture was not a success because of the unsuitability of some machinery which had been installed. The venture was temporarily abandoned and the plant closed for four or five years. During this period the government of Saskatchewan, after the federal government and the government of Manitoba withdrew from any further connection with the enterprise, became trustees of the property, and in 1927 they announced that they had been successful in interesting certain people in reestablishing the plant. Through their efforts British capital was forthcoming for this purpose and in the spring of 1928 the reconstruction of the plant was commenced. There was an understanding between the government of Saskatchewan and the interests concerned with the reestablishment of the plant that when $600,000 had been expended in remodelling the plant it would be turned over to this company for a nominal fee. The plant was rebuilt during the summer of 1928 and up-to-date machinery installed at a cost of $600,000. This included a Lurgi carbonizing machine the only machine of its kind in Canada. Then the plant was turned over to the company by the government and since then the work of briquetting this soft coal has been going on at the rate of about one hundred tons per day. In addition, in order to encourage the industry and to further the investment of British capital, the government guaranteed to find a market for the output of the plant for one year. This coal will be burned in the public buildings of Saskatchewan for one year at least, or until the plant is properly established.

I may say that this coal is very soft and is readily affected when exposed to the air. This makes the available market very limited, because it cannot stand to be shipped over long distances, and it was for this primary reason that the briquetting process was first introduced by the governments concerned. People who reside in that part of the country look upon this as the nucleus of a great industry which no doubt will be established in that part of the country; very ambitious plans are being outlined and British capital is said to be ready to finance much greater expansion in this field. In that connection I would say that with cheap fuel available in such large quantities; with the possibilities of utilizing the by-products from the carbonizing of this coal, together with the advantages of power and light at a resonable rate, we believe this field well worth investigation by people looking for locations for industries.

On motion of Mr. Brady the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.52 p.m.

Friday, March 15, 1929

The house met at three o'clock.

BUSINESS OF THE HOUSE

CHANGE IN MEMBERSHIP OF STANDING COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to move:

That the names of Messrs. Fraser, Cowan and Ernst be substituted for those of Messrs. White (London), Guthrie and Black (Yukon) on the public accounts committee.

Motion agreed to.

PRIVATE MEMBERS' DAYS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to move the motion of which I gave notice yesterday:

That on and after Monday, 8th April next, and all subsequent Mondays and Wednesdays till the end of the session, government notices of motion and government orders shall have precedence over all other business except questions and notices of motions for the production of papers.

Sir GEORGE PERLEY (Argenteuil): Mr. Speaker, I think this motion requires a little consideration. I am entirely in accord with it as regards Wednesdays, but it seems to me that the government should not appropriate Mondays at this stage of the session to the exclusion of private bills. Yesterday the Prime Minister stated that up to the present private members have had eleven days this session to discuss their motions. This is true, but as a matter of fact so far private bills have occupied practically no time of the house whatever. According to the rules the first item on Mondays is private bills. I find that so far on Mondays private bills have occupied only one column in Hansard, and that was on February 25. In other words, at the beginning of the session private bills are referred to committees, and there discussed; they do not take up much time in the house, but later on in the session very often they require to be discussed on the floor. At the end of last session several very important private bills were left stranded on the order paper. Manifestly this is unfair to the petitioners, and I think it is not consistent with the dignity of the house that these bills should not be dealt with during the session. The procedure governing petitions for private bills is set forth in great detail in the book of rules. If the rules are complied with by the petitioners, and the bills are introduced for consideration at a reasonably early stage in the session, it matters not whether the petitioners be public companies or private individuals, I submit that they should be dealt with, whatever the decision thereon may be.

Last session the Prime Minister introduced a motion similar to this. I find that after it was agreed to there were seven Mondays that the house sat when private bills could not be taken up. I believe that if the house had not agreed to the Prime Minister's motion the difficulties that confronted us towards the end of the session would have been avoided, and those private bills would not have been left to the tender mercies of Tuesday and Friday evenings, which resulted in some of them not being disposed of at prorogation.

If my memory serves me right, Mr. Speaker, when I first entered the house the custom was for the government to take Wednesdays fairly early in the session, but they did not appropriate Mondays until the session was well advanced. I quite realize that this motion is drafted in exactly the same terms as the one which the Prime Minister moved last session, and I have been wondering why that wording is used. I have come to the conclusion that the form is similar to that which was used when Wednesdays only were taken over for government business. As I say, I do not remember that it was the practice for the government to give their business precedence over private bills on Mondays until towards the end of the session. To my mind this change in the old practice has produced what may be called not a proper state of affairs so far as private bills are concerned.

If private bills are allowed first place on the order paper for Mondays, I submit to the Prime Minister that the work of the session would not be delayed at all. After the private bills had been disposed of on Mondays the government would have the rest of the day for their legislation following questions and notices of motion for production of papers. But if there are private bills on the order paper, then I submit that they should have consideration in the first place on Mondays, as provided in the rules. If the Prime Minister will consider for a moment, I think he will agree with me that the effect of this present motion would be practically to deprive private bills of their right to the first place on Mondays throughout the session, and in that case he might as well make a motion for changing the rules altogether; because up to this time private bills have taken only one column of Hansard on a Monday. Of course, when I say this, I have not in mind any particular private bill; it is immaterial whether they be divorce

bills or private bills of any other character, or bills in respect to companies. Private bills, in my opinion, should be proceeded with on Mondays according to the rule. I realize that the Prime Minister and the government are responsible for the conduct of the business of the house, and I have no idea of moving any amendment to the motion, but I submit to the Prime Minister that it would be better to adhere to the practice that obtained in the old days, so that private bills would hold their place on Mondays. Otherwise, I am willing that the motion should carry, so that government business would come next after questions and notices of motions for the production of papers on both Mondays and Wednesdays.

Right Hon. W. L. MACKENZIE KING (Prime Minister): When I drafted the motion I had not foreseen the possibility to which my hon. friend has just referred. The motion in no way affects the right of the house to take up private bills in the first hour on Tuesday and Friday evenings, but I am prepared to admit that my hon. friend, who is an older and more experienced member of the house than I am, may be quite right in what he foresees as to possibilities with respect to the fate of private bills. I therefore very gladly accept the suggestion he offers, to make provision for private bills receiving first consideration on Monday, and if the house will permit me I will amend the motion I have made by adding the words "and private bills on Monday."

Mr. JAMES ARTHURS (Parry Sound): We have had on the order paper from day to day, since February 26, an order for the resumption of the adjourned debate on the motion of the hon. member for St. Hyacinthe-Rouville (Mr. Morin) for concurrence in the first report of the select standing committee on standing orders. This order has not yet been taken up and I have no doubt it is held back at the instance of the government. It has a direct bearing on private members' day, and I should like to know before voting on this motion, if there is a vote, what action the government intends to take with respect to the order I have just indicated.

Mr. MACKENZIE KING: It was held back at the express request of my hon. friend. The hon. gentleman asked me not to have the motion proceeded with—

Mr. ARTHURS: On Monday.

Mr. MACKENZIE KING: Yes, and I agreed that we would not proceed on Monday; and not having been proceeded with on Monday the motion apparently has fallen by the way ever since.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I would suggest that it is too early in the session to curtail in any way private members' days. We have a large number of notices of motions still on the order paper. These are important, at least in the eyes of those who have sponsored them, and as a matter of fact private members' day is about the only opportunity the private member has of bringing forward what he considers matters of interest to this house or to the public at large. I feel particularly free to speak on this question, because a motion in my name recently occupied nearly a week of the time of the house. Of course, having once introduced the motion I had no further control in the matter. The Prime Minister took occasion to make two quite lengthy declarations with regard to the question of natural resources in connection with that motion. I have no objection whatever to this, but I would point out that under that motion the house entered into a lengthy discussion of the whole subject of natural resources, approaching it from half a dozen different angles. Now I submit that it is not fair to the house that a single motion should be discussed to such an extent while there are eighteen others, of equal importance, which have had no opportunity for discussion. I hope the Prime Minister will see his way to leave this motion for a little while.

Mr. SPEAKER: Shall the motion as amended carry?

Mr. MACKENZIE KING: Mr. Speaker—

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Do I understand that the motion is carried? Carried.

Motion as amended agreed to.

HIS MAJESTY'S MAIL

Hon. P. J. VENIOT (Postmaster General): I wish to lay on the table a return to an order of the house, reference No. 15, moved for by the hon. member for Toronto Northwest (Mr. Church):

For a copy of all letters, instructions, regulations, orders in council, telegrams, and other documents issued by the government of Canada or any members thereof, and any other person or persons, regarding the substitution of Canadas' Mail for His Majesty's mail on postal offices, postal wagons, motors, or other postal equipment, and in relation to the removal of His Majesty's initials "G.R." from said post office equipment.

I do not know whether I am in order in giving an explanation of this return. If not, I will do so at some other time.

An hon. MEMBER: Not now.

Mr. SPEAKER: Orders of the day.

On the orders of the day:

Mr. VENIOT: I wish now, if in order, to give the explanation I desire to make with reference to the return I have tabled. This return, asked for by the hon. member for Toronto Northwest (Mr. Church) has reference to what has been called the elimination of the monogram "G.R."—

Mr. EDWARDS (Frontenac): If I may interrupt the Postmaster General, may I say that if this privilege is extended to him we shall expect it to be extended to the rest of us to discuss the matter as well as he; otherwise, I rise to a point of order.

Mr. SPEAKER: The matter is one of personal explanation and must not give rise to a debate.

Mr. VENIOT: I do not intend to discuss it.

Mr. SPEAKER: I understand that the Postmaster General wishes to make a statement of fact by way of personal explanation.

Mr. VENIOT: That is all.

Mr. BENNETT: It cannot be personal.

Mr. VENIOT: It is not personal; it has reference to the administration of the department.

Mr. SPEAKER: I would suggest to the Postmaster General that he wait until his estimates come down.

Mr. VENIOT: Very well, Mr. Speaker. I am perfectly willing to wait; only there is a good deal of misinformation being circulated.

MOTOR AND PLEASURE BOATS

On the orders of the day:

Mr. PETER McGIBBON (Muskoka): May I ask the Prime Minister to be good enough to give me an answer to the question I asked him the other day. I know he is busy.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I must apologize to my hon. friend. I have not had an opportunity to secure the answer but I shall let him have it by Monday.

THE BUDGET

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

The house resumed from Thursday, March 14, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Hon. Hugh Guthrie and the proposed amendment to the amendment of Mr. Spencer.

Mr. J. C. BRADY (Skeena): Mr. Speaker, the electors of the constituency of Skeena, who honoured me by sending me to this house to represent their views, placed upon me two duties, first that I shall take an interest in all that appertains to Canada with regard to her internal and external affairs and secondly that I might represent them and place their views and their needs before this honourable house. Otherwise I would not presume to say anything in this debate after the wonderful address delivered by the hon. member for South Wellington (Mr. Guthrie); his was a masterpiece of reasoning which as yet has not been contradicted in any important detail by any of the hon. members who have spoken since.

Before I introduce the subject upon which I would like to speak to-day I would state briefly that the budget is already before the people of Canada; its merits and demerits are known to everyone. The working men of Canada have read it with interest; the agriculturists, the fishermen on our coasts, the lonely lighthouse keepers who keep watch and ward over the carriers of our commerce —the ships that pass in the night—all have read the budget. Likewise the hard-working and poorly-paid lower classes of the civil servants of this country have read it; but the millions of people who are not stockholders in large corporations, who are not presidents of banks, who do not pay income tax or drive the high-powered motor cars referred to yesterday by the Minister of Trade and Commerce (Mr. Malcolm), do not find very much meat or comfort in the budget presented in this house on Friday, March 1. When I was considering the budget I thought it would have been a very good thing if the Minister of Finance had taken a leaf from the book of those wonderful, canny Scots who in 1670 created the Hudson's Bay Company, because it seems to me that in all our trade relations which I have had time to read the Minister of Finance or whoever has negotiated

the arrangements has been given the thin end of the stick. In those days, Mr. Speaker, when the Hudson's Bay Company traded with the Indians, the measurement of value was skins piled to the height of a rifle, and the canny Scots of those days took jolly good care that the barrel of the rifle was longer than that of the ordinary rifle then in use.

Now, Mr. Speaker, coming to the chief points of my short address to-day, I think it will be a revelation to any thinking Canadian who analyses the trade figures of Canada to discover some cogent truths which I do not think can be contradicted either inside or outside of this house. I am going to make a statement now which has been thoughtfully considered, and before this budget debate is concluded I would like it answered. It is this: Canada to-day is finding it more difficult than ever to retain the major portion of the financial value and the nation-building value of her natural resources and products, in spite of the wealth of her great natural resources. Let me give some figures in connection with the great basic industry of mining, whose development has been a revelation to the world and the admiration of less fortunate nations. Is our mining industry to-day an asset or a liability to the people of this country? That is the question, and what is the answer? It is a terrible indictment against this government to be forced to say that the wealth of our mines, running into millions, is not an asset to Canada. Here is what we did in the nine months ending December 31, 1928: We sent to the United States $135,000,000 worth of semi-raw or semi-manufactured products from our three mineral groups, and we imported $437,000,000 worth. Those are the figures representing the trade in this great basic industry.

What does that mean? It means, in simple language that a child can understand, that for every day of those nine months Canada sent out of the country $1,000,000 to buy goods which could be manufactured in our own country. Shall I bring it a little nearer? For every hour of each day of the nine months we sent out of Canada $84,000 to buy goods which could be manufactured here. Shall I bring it still nearer? Every time the clock in the Victory Tower ticked off a minute we sent out $1,400.

Mr. YOUNG (Weyburn): Cash?

Mr. BRADY: Yes, sir. If we had stopped there it might not be so bad, but together with that money we sent the very cream of the intellect of this young nation. Furthermore let me add that when the government failed to respond to the needs of technical education in this country and refused the grant, they took a retrograde step from which they will not recover. We are losing from Canada our very brightest scientists and cleverest men. Here is an example; Professor Dickson, one of the brilliant research men of Macdonald college, was receiving a salary of only $3,500, and he was offered a position in Australia at a salary which Canada should have doubled if necessary to keep him here. He was offered a position in an Australian university at a salary of $7,500. And thus it goes on. It is not the fate of any political party which is at stake but the soul and life of Canada, and someone will have to answer for it before very long.

If we could take just half of the manufactured goods we import from the United States over $800,000,000, and manufacture them here and keep $400,000,000 in Canada to circulate here and build up our domestic industries, what could we do with it? We could solve the problem of the Minister of Immigration (Mr. Forke) over night. What a pitiable travesty it is on the days when Canada loomed as the bright star in the centre of this great empire, when we realize that the government of Canada could not reply to the questions asked in the House of Commons at London two days ago. A Labour member of that house asked, "Can the dominions do anything with their great natural wealth to give employment to our highly trained artisans and industrial workers who are out of work?" The one who replied to that question was the head of the Labour Federation in Canada, Mr. Tom Moore, and he said, "There is not a chance for them at all." There is no chance yet, but if our party comes into power I say that not only would every boy and young man in Canada be given a chance to live here, and earn his living but we could assist the motherland as well, and invite the best stock of Europe and give them all work. Sir Wilfrid Laurier, when he was in London at the time of Queen Victoria's jubilee, in the course of a speech said, and I think his words have a present-day significance:

> England has proved at all times that she can fight her own battles, but, if ever the day was to come when she was in danger, let the bugle sound, let the fires be lit on the hills and in all parts of the empire, and though we might not be able to do much, whatever we can do shall be done to help her.

Those are the words of Sir Wilfrid Laurier, but the members on the other side of the house do not seem to like them.

An hon. MEMBER: It is too deep for them.

Mr. BRADY: During these later years the followers of Sir Wilfrid have departed far from his spirit of empire. There is a crisis to-day in Canada which concerns not so much the motherland but the very spirit and soul of this great nation of which we are supposed to be so proud. When I read the remarks of the Minister of Finance (Mr. Robb) in introducing the budget the other day, one sentence seemed to me to be so striking as to take prominence over everything else. He said:

> It is gratifying to note the steady development of inter-empire trade. Canada, the pioneer of the British preference, looks on empire trade as the keystone of its external trade policy and desires in every way to foster closer trading relations throughout the British commonwealth of nations.

It is not with any sense of pride I speak now, but it is has been my privilege to have travelled throughout the empire and I know its spirit and its great resources. It was that very reason which prompted me to obtain a few figures so that I might be able to give honour, at least, to the Minister of Finance upon the floor of this house if his statement should prove to be correct. The figures I will now give to the house have been authenticated by the Dominion statistician, and if they do not amount to an indictment against this present government with regard to the fostering of trade with the United Kingdom, then nothing will.

When the Conservative party was in power in 1921 the average duty levied against dutiable and free goods coming into Canada from the United Kingdom was 16.6 per cent, and the duty levied on United States goods was 12.9 per cent. I then come to the figures for 1924, because the government cannot be expected to do everything in a year. In 1924 the average duty levied against dutiable and free goods imported into Canada from Great Britain was 18.3, and 13.2 as applied to United States goods. Then we have the figures for 1928, and they cannot be contradicted. In 1928 the average duty levied on all British imports was 20.6 and on United States imports 13.5. These figures show that the present government are bonusing United States goods at the expense of British preference, thus completely disproving the words uttered by the Minister of Finance. There has been an increase of only 6 per cent upon goods imported from the United States from 1921 to 1928, while there has been an increase of 4 per cent upon goods coming in from the United Kingdom. I have nothing but the highest honour for the members of the government individually but their policy is one which never can build up Canada, or bring about the realization of her desires or make her people prosperous. I would like to mention one thing more on the same line. I feel that I could talk for more than forty minutes, but I only want to use my allotted time.

I would like, Mr. Speaker, to say something with regard to the halibut fishermen on the Pacific coast, and especially in relation to the United States government. By the terms of the Washington treaty Canada offered the most extended courtesy to that great nation to the south of us. We opened our harbours on the Pacific coast so that the boats might be permitted at all times to obtain shelter and bait at those ports. Over 21,000,000 pounds of halibut was brought into the port of Prince Rupert last year, and of that amount American vessels, which did not pay one cent in fees or dues, brought in over 12,000,000 pounds in bond to be shipped to the United States free of duty. The time has come, Mr. Speaker, when someone must strike the first blow to indicate our position as a nation. You would think we were in Ceylon and not in Canada. Here is a point I wish to enunciate: The United States government is the embodiment of greatness and power and it is entitled to do everything possible for the good of that country, but we likewise have the God-given right to do the same thing for Canada and our government should protect our fishermen. There is a duty of two cents on every pound of fish that we send in Canadian boats through Canadian harbours into the United States. What has happened recently? Not satisfied with this, a deputation visited Washington requesting that the duty be raised two cents more. In other words, this would prevent all possibility of halibut coming into the port of Prince Rupert. It would compel the halibut fishermen to send their fish to Seattle and other United States ports thousands of miles away, but the Seattle halibut owner's association went to Washington and appealed against this. They said, if, this be done, you will annihilate the United States halibut fishing fleet in the north Pacific. We cannot take our fish to Seattle, thousands of miles away; Prince Rupert is the only harbour on the Pacific coast that suits us as it is the terminus of a transcontinental railway. Surely our fishermen are entitled to a quid pro quo. But there must be no dilly-dallying; the one fundamental principle is that we must stand up for Canada and recognize that great right of self-protection that is ours. How long are

the sons and daughters of Canada to be checked on all sides without being able to attain their natural heritage? The fishermen in Prince Rupert are not getting a square deal. The other day an hon. gentleman across the floor went so far as to say: "Do not retaliate." He used the wrong word; there is no retaliation at all; the question is one of protection of ourselves and of our industries.

I should like to refer to another matter which will disclose what is happening in Canada to-day. I took the trade figures for 1928 dealing with Canada and the United States, and I took the same for Canada and Great Britain for the same period. There was an adverse balance of trade between Canada and the United States, amounting to $241,500,000, while with Great Britain we had a favourable balance of trade amounting to $224,800,000. Put in the plainest words imaginable, that money should have been kept within Canada and had that been the case there would have been no need for the minister to worry night after night how to increase the population of this great country; we would have the money to circulate within our own country. What happened to the money we got from Great Britain? It went into the United States to pay for our adverse trade balance with them. That is the answer and there is no use in our endeavouring to fool ourselves. The fiscal policy of the present government is hopelessly wrong for Canada. The Minister of Finance said the other day: "If we have any fiscal problems." Why, the destiny of a country depends upon its fiscal policy! That fiscal policy has a certain objective. If it fails in that, if the theory that they enunciate does not become converted into concrete action of benefit to the people, it is a failure.

To sum up, let me say that with the spread of education throughout the whole country, things are not going unnoticed. The man who wears overalls has as great and profound knowledge of life as he who sits in his Buick or sedan. The working people of Canada to-day are not in accord with what the Minister of Trade and Commerce (Mr. Malcolm) said. He said: "We are prosperous." Prosperity is a relative term and if we want real prosperity we must do something more for the masses than this government is doing. If we want to put Canada where she ought rightfully to be as the greatest dominion of the British Empire; if we want to increase Canada's population—

Some hon. MEMBERS: Oh, oh.

[Mr. Brady.]

Mr. BRADY: To those who anticipate the sentence I shall only say "Honi soit qui mal y pense." The biggest indictment upon this government is the fact that our population is standing still. It is all very well to talk about our wonderful external trade running into billions and about our wonderful plenipotentiaries in various capitals; but to compare ourselves to the United States population is to compare the little spaniel with the Newfoundland dog. The United States have a population of 117,000,000 whereas we have less than 10,000,000.

I feel this afternoon that what I have said is but a brief indication of what I would like to have referred to had I had more than forty minutes at my disposal. But in conclusion let me say that whatever the government may think or say, the soul of Canada has awakened and the rallying cry will be: "Canada for the Canadians and the great empire to which we belong.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I only wish, Mr. Speaker, that I was gifted with the eloquence of the member for Skeena (Mr. Brady) in presenting my case this afternoon.

I do not intend taking up very much time in discussing the budget, because I want to deal more particularly with the department over which I have the honour to preside, and as I have only forty minutes in which to speak at this time I intend to devote nearly all of my time to the question of immigration. Perhaps there is no subject that has been more discussed in the country than this same question. You can hardly pick up a newspaper to-day, or a periodical or a magazine, but you will find someone putting forth his views on immigration. The difficulty that I experience however is that there does not seem to be any unanimity in regard to this question.

Mr. EDWARDS (Frontenac): What is your idea?

Mr. FORKE: I have not yet heard from the member from Frontenac (Mr. Edwards) any well defined policy on immigration. Labour looks askance at any large immigration into the country, afraid perhaps that it might increase unemployment and make it more difficult for the labouring classes. The railways, on the other hand, claim that the country could absorb a very much larger volume of immigration than is now coming into the country. And I am sure that the agriculturists are not pressing very hard for increased immigration at the present time. I have not

had much encouragement from that section of the public in regard to increasing the volume of immigration.

Notwithstanding the eloquent speech that we have just listened to from the hon. member for Skeena, conditions are not so very bad in Canada at the present time. It is the first time that I have heard the statement—and I hope it is not true—that the more wealth we take out of our mines the poorer we become. It seems a strange sort of argument and it is quite beyond me. Every sign points to the fact that things seem to be going fairly well with us. Commercial statistics, leading financial institutions, production, manufacturing, all point to growth and prosperity. The National railways which, a few years ago, were looked upon as a millstone around the neck of this young nation, are becoming, in fact, are a very valuable asset to the nation. Perhaps the only blot—if it can be called that—upon the situation at the present time, is the fact that our young people are not staying on the land but are moving into the cities in increasing numbers. That is not a very good thing for this Dominion, and that, Sir, I believe to be the greatest problem not only in Canada but the world over. It is not an uncommon thing for a Canadian family to leave a farm and to find a family from a foreign country coming in to take their place. While we speak about agriculture being one of our great problems, I do not agree with hon. members on the other side of the house who advocate a policy that would make it more difficult than it is at the present time. Judging from the speech we have just listened to, I am indeed surprised at the tepid amendment which has been offered to the budget by the opposition. I had expected an amendment that had some teeth in it, an amendment that would come out fairly and squarely and state what the trouble was.

A good deal of controversy exists in regard to continental and British immigration. I have never agreed, Mr. Speaker, that there are superior and inferior people. There are backward and forward people and backward and forward nations. We all know, looking into the dim past, that great nations have existed and have passed away, and left little more behind than a name. In more recent times, we also know that nations have reached the peak of progress and civilization and have then faded out of the picture, as it were, and other nations have taken their place. That is what has happened in the past and doubtless the same will happen in the future. Some nationalities, however, are much more easily absorbed than others, and we have to take that into consideration in considering this question of immigration.

I noticed an article in the Saskatoon Star the other day, from which I desire to quote. It states:

> It is unfortunate to have immigrants in the west without knowledge of English, with little, if any, money, with no experience of farm work as carried on in the west. Some of these people have been left stranded at country points without any immediate prospect of employment. It is not fair to leave men without funds, ignorant of English, to shift for themselves in a strange land—this is not colonization.

I quite agree with that sentiment, Mr. Speaker, and I trust, as Minister of Immigration, that I will do my best to prevent an occurrence of that kind. Such a thing as that is of no benefit to immigration. It is of no benefit to Canada to have people come here unable to find employment when they arrive.

Some statements have appeared in the public press lately, in regard to the railway agreement. I would like to say a few words in regard to that. As most of the hon. members know, the railway agreement was entered into to stimulate the supply of farm labour from certain named countries in Europe. I was in the west last summer, met representatives of the four provincial governments out there and discussed with them the supply of foreign farm labour. I had an estimate from the governments of the four western provinces as to what they considered would be required in their respective provinces. We also made an estimate in the department of the amount of labour required during the coming summer. I have only this to say, Sir, that the estimate made by the department was very much larger than that given to me by the various provinces. However, I came to the conclusion that thirty per cent of the single foreign farm labourers of last year's immigration would be sufficient to meet requirements for that class of labour in the three western provinces. There has been a good deal of criticism in regard to that regulation, but I am perfectly satisfied that there will be sufficient labour of that kind to meet all the requirements of the farmers in western Canada. There is no limit placed on families coming in to settle on the land from those countries, and there is no limit on relatives coming out under the regulations. There is no limit on domestics coming out from foreign countries, and there is no quota. I have seen a resolution on the order paper that might be discussed, with regard to a quota; but there is no quota established in regard to that kind

of immigration. And, Mr. Speaker, at the end of May, should it be found that there is a shortage of foreign labour, the doors can be opened. I feel it is my duty to see that people coming from countries, unable to speak our language, shall have employment when they do come. That is the only trouble that has arisen in regard to this matter.

Mr. EDWARDS (Frontenac): May I ask the minister a question there?

Mr. FORKE: Yes.

Mr. EDWARDS (Frontenac): Would he kindly give the proportion coming in under this agreement that stayed on the land, and the proportion that drifted into the cities?

Mr. FORKE: I cannot give that information. That has been one of the troubles in the past. We have estimated that probably thirty per cent stay on the land and the balance drift into other lines of employment.

An hon. MEMBER: That seems high.

Mr. FORKE: Probably it is. Those who have made a study of immigration will realize that capital and immigration are closely allied. When large amounts of capital were coming into Canada we had also a large volume of immigration, because the employment of that capital created labour, and the supply came to meet the demand. I think that may be taken as a basic principle. Since 1881 five million immigrants have come into Canada. For the ten years from 1911 to 1921 1,728,921 immigrants came in. I am sorry the member for Skeena is not in his seat, for these figures would interest him in view of his remarks on immigration. Our net gain at the end of ten years was 491,281.

Mr. STEVENS: What ten years?

Mr. FORKE: From 1911 to 1921. During those ten years 1,237,740 people born outside of Canada died or left the country. This figure does not include the Canadian-born who left during those years. I do not wish to make any insinuations against the government then in power, but I want the house to pay particular attention to the fact that that exodus took place when no Liberal government was in office. So that the matter of trade policy or tariff—

Mr. JACOBS: Might I point out to the hon. minister that the Union government was a half-and-half coalition?

Mr. FORKE: I do not wish to draw any unwarranted inferences from those figures, but it is reasonable to state that perhaps the 166,782 immigrants that entered the Dominion for the calendar year 1928 and established permanent homes here constitute a better record than for some of the preceding years when we had 400,000 immigrants annually. It is not the number of people who come in, it is the number who become permanent citizens of this Dominion that really count in immigration. It may be profitable to transportation and other agencies to have a large influx of immigrants who simply pass through the country to return no more, but this type of immigration is certainly not profitable nationally. Since 1881 our record for 1928 has been exceeded only seven times. In 1926, two years ago, 96,064 immigrants came in. Last year, as I have already mentioned, we received 166,782 immigrants.

Mr. EDWARDS (Frontenac): Where from?

Mr. FORKE: I will give their origin. British, 55,882, I would remind the house that the miner-harvesters are included in that total, and a few thousand should be deducted to cover those who returned to Great Britain. There were 29,900 from the United States, and 28,840 from northwestern Europe. This makes a total immigration from Great Britain, the United States and northwestern Europe of 114,622—all people very easily assimilated into our life. Southern and southeastern Europe sent 52,161, thus making the grand total of 166,782. Let me point out that 70,718 more immigrants came in during 1928 than two years ago.

Those who complain about our lack of immigration are fond of making comparisons with the United States, much to our disadvantage. Indeed, the hon. member for Skeena has just mentioned that we should take a leaf out of the United States' book in regard to immigration policy. Well, Mr. Speaker, we are getting a larger percentage of immigrants to our population than ever entered the United States.

Some hon. MEMBERS: What?

Mr. FORKE: A higher percentage of immigrants to our population than ever entered the United States. When 840,000 immigrants came into the United States that country had a population of over one hundred million. With our population of nine and a half million, a total immigration for 1928 of 166,782 people gives a higher percentage in our favour. Consequently we have a bigger problem of assimilation and absorption than ever confronted the United States. That is something which should be borne in mind by those who would like to pour millions and millions of immigrants into this country. Perhaps we have reached the point where we can about absorb the stream of immigrants now flowing in. As

the country develops and capital increases there would be an increase in population, and under normal circumstances we shall be able to absorb more immigrants. In this connection I desire to quote a few lines from a speech delivered by Premier Baldwin when he visited Canada a few years ago. I should like to say that of all the distinguished visitors to this Dominion none have displayed such a grasp of the situation as Premier Baldwin and ex-Premier Lloyd George. They seemed to realize what we need in this young country. Speaking of immigration to Canada, Premier Baldwin said:

If it be no impertinence on my part to say one word to Canadians, I would say: The future is with you; do not be in too much of a hurry. Your country is a country for men from the north, the hardy, virile races. Quality before quantity any day. Build up with the best. What does it matter if it is a hundred years, or two hundred years, or more, before your country is full? Keep the stock you have, and the men and women you have, and see that the coming generations are in no way inferior to them. I have often thought that it is as dangerous a thing to the morals of a nation to get rich too quickly as it is to an individual. Time is on your side. Maintain the values. Maintain the standards. And may the prayer of Canada always be the prayer of the Greek sailor which has been preserved for us by Seneca: "O God, You may save me if You will; You may sink me if You will; but, whatever happens, I will always keep my rudder true."

I think we may take that to heart as a good lesson in regard to our immigration problem.

During the past year there has been a large increase in the number of homesteads taken up. In the four western provinces during 1928 there were 15,566 homesteads taken up, compared with 6,356 in 1927—a gain of 250 per cent. In the Grande Prairie and Peace River country 5,216 homesteads were taken up—a gain of 450 per cent over the previous year. Taking 160 acres as the unit for a homestead, it means that two and a half million acres of land was homesteaded—not very bad progress when we are supposed to be standing still. The people represented by these homestead entries number 41,724. A great many of those homesteaders are young men from our own western prairies, and I hope some from the eastern part of the Dominion also. We can get no better type of colonization than that. The young fellows from our farms in western Canada go out to the new districts and there establish homes for themselves. They are the very best settlers, because, Mr. Speaker, there is no better settler than he who is born in some lone sheiling in Canada.

Last summer I had the pleasure of visiting the Grande Prairie and Peace River country and was astonished to see the progress that had been made. I found fields of splendid wheat ripening in the sun in the month of August, ten days earlier than the crop much further south—ten days earlier than around Edmonton, for instance. I do not think much of that wheat was damaged by early frost, whereas a great deal of such damage was done in Saskatchewan. It is a wonderful country, there is no doubt of it, and it will be rapidly developed in the not very distant future. But I would suggest that no one should get it into his mind that there are vast prairies in the Peace River district similar to those that were to be found in the western provinces away back in the nineties. The soil is good but it will take more labour and more capital to build up homes there than it did in the older districts. I had the privilege of attending a picnic at Peace River lodge, and about the best thing I saw in Peace River was the people there. They reminded me of the pioneers of the early days, in the nineties, in Manitoba—kind-hearted folk, full of hopefulness, looking to the future with optimism, and believing they had the best country under the sun. To me it was a most pleasing experience to go back into that country, far up in the north, and see the splendid crops being raised there.

I should like to have said a few words in regard to some of the different schemes we have, but I am forced to pass on seeing that my time is going rapidly. I think we have covered nearly all the recommendations made by the committee on agriculture which investigated the Immigration department last year. We have extended assistance to boys between the ages of seventeen and nineteen inclusively. As most hon. members know, these boys are going to farm centres established by the different provinces. The province establishes a farm centre, or what may be called a distribution point, to which the boys go. Places are found for them by the provincial governments, and the Dominion contributes $10, the province $10, and the Imperial government $20, making a total of $40 per boy, for the purpose of placing him when he comes to Canada.

Mr. GARLAND (Bow River): How long does the assistance continue?

Mr. FORKE: The provinces have undertaken to look after the boys, keeping an eye on them, and seeing that they are properly cared for after arriving. This is the most successful movement in a small way I have

seen since coming to the department. I have heard nothing but good reports with respect to the placing of the boys who come to the country, and this is the best kind of immigration we can have. These lads come to Canada, become identified with Canadian life and social customs, and in a very few years they will be Canadians in every sense of the word, looking on the country as their own home land.

The committee also recommended a land settlement scheme, in respect to which there was a tripartite agreement between the provinces, the Dominion and the Imperial government. That has been done more particularly in New Brunswick and, to some extent, in Ontario. New Brunswick is advancing rapidly in the matter of land settlement from the provincial point of view. The authorities there intend to settle 500 families in the next three years. They settled 100 families last year and they seem to be doing very well. The province provides the land, the Imperial government advances the money, and the Dominion government renders services to further the scheme. I may say, in regard to domestic servants, that we have entered into an agreement with the Imperial government. They have established centres for the training of domestic girls coming to the Dominion, and these girls are given six weeks' training. We have a lady officer attached to the Department of Immigration and she is over in Great Britain, seeing what training the girls are receiving, and satisfying herself that they will be suitable to Canadian homes. She will have the selection of the girls who come. The province taking any girl who comes from overseas undertakes to contribute $10 towards the upkeep of the central home. This is one aspect of immigration in respect to which the department can never fill the demands made upon it; it cannot supply all the domestic servants asked for.

Now I will say a few words with reference to land settlement generally. We have read some very alluring descriptions of the vast open spaces of the Dominion, millions of acres of fertile land waiting for people to come and cultivate it; and we have read about unemployed people in Great Britan. We are told that if only we would bring these unemployed people to Canada and place them in these vacant spaces the whole face of the country would be transformed, there would be smiling homesteads, happy and contented homes, and everything would go well. It seems quite easy to talk that way, but anyone who has ever had any association with land settlement, with the bringing of people to this country and settling them on the soil, knows that the problem is not so easy as all that. It is much more difficult than one might readily suppose who had never come into contact with that sort of work. I notice that the Hon. Mr. Perrault, speaking in the Quebec legislature, made the following statement:

> It is not the fault of the province if young men show no desire to rush to the colonization areas and build up from the beginning. The fault rather lies in the desire of the younger men to gather in the centres, despite the advantages offered by the government.

It is the same old story: you can put people on the land, but it is a different job to keep them there. It is largely a question of remuneration, a question also of making rural life as attractive as it ought to be. Mr. Perrault adds:

> Yet, within the past fifteen years, the government of Quebec has succeeded in establishing 50 new parishes in the province.

That is not so bad for the old province of Quebec in the way of land settlement endeavour. Frankly, I am not in favour of any land settlement that will burden the settler with large overhead expenses; it is better to begin slowly, gaining experience and building up on a surer foundation. The amazing development that has taken place in western Canada did not come about by means of any great land settlement scheme; it was brought about by people beginning in a small way, humbly, adding to their belongings bit by bit until the whole country was transformed and now we find a population of 2,000,000 producing a tremendous amount of wealth—and this in one generation. That is the way development took place there; it was not brought about by the expenditure of millions of public money to induce people to go on the land.

Mr. GARLAND (Bow River): They were not state-aided.

Mr. FORKE: There is one thing I have noticed in recent years, and that is the tendency of the farmers in the west to increase their holdings. A few years ago, when I first came to this house, I imagined that a change would take place, that the farms would be smaller units, the population more dense, and that some of the difficulties we were experiencing would disappear. The movement has been the other way, however; the farms are growing larger in the west rather than smaller. That is not the best thing for the country, but it is a fact. The improvement in machinery, with loss of man power,

is resulting in a greater amount of produce. I have an idea which perhaps might be worth considering: I wonder whether all this increase in production, with less man power, simply means paying for improved machinery. I wonder whether those who are producing in very much larger volume, as a result of improved machinery, are very much the gainers after they have paid for the machinery they are buying. As I say, that is only an idea, but it is worth noting. There is this to be observed: In buying that machinery and creating that produce they have at least done a great deal towards stimulating industry and helping every other line of public endeavour in the Dominion. I want those people who perhaps are not so closely related to agriculture as I am to bear that in mind and to be always ready to do something to help the farmer in the struggle he is carrying on in a great industry.

Before leaving land settlement I wish to refer to the colonization department of the railways and other organizations and to touch upon what has been done by the different provinces. Before dealing with British immigration, however, I wish to make a few remarks in relation to foreign immigrants from what are known as non-preferred countries, although there is no such definition in the act or in the regulations. Some Hungarian gentlemen came to see me the other day and they felt that a slur was being cast upon them because they came from what we know as a non-preferred country. I wish to make it clear that there has never been any intention that any reflection should be cast on anyone. Indeed, in some respects, countries which are nominally non-preferred are in reality preferred countries, because there has been a more vigorous campaign for immigrants there than anywhere else in Europe.

Mr. MACDONALD (Richmond-West Cape Breton): By the government?

Mr. FORKE: By the railway companies, under the agreement.

To prevent misconception I want to pay a tribute to the people who have come from those countries. They have made contributions of permanent value to the life of the Dominion; they are taking an active interest in Canadian problems and government, as witness members of local governments and one member of foreign birth in the Dominion parliament. They have worked in our lumber camps, helped to build our railways and highways, dug our ditches and given good service for wages received. They have cleared thousands of acres of our scrub land in the northern part of the prairie provinces and have made the wilderness blossom as the rose. They have built their modest homes; in many instances they have every modern item of equipment on their farms and have purchased more machinery and equipment in recent years than other agriculturists, and they have added to the wealth of the country by the production of millions of dollars worth of farm produce. They have not lagged behind in other respects; they have sent their children to high schools and universities, fitting them as good citizens to take their part in this young and growing nation.

Now I want to say a few words with regard to the situation in Great Britain as it affects immigration. The social and economic structure of Great Britain is not what it was in 1914; in fact all countries have changed greatly since that time. In 1914 there was no unemployment insurance, no sick benefits and no old age pensions, and most of the social legislation now considered important was non-existent. Agriculture was more important; strange to say, in twenty years a vast change has taken place in Great Britain with regard to agriculture. Then cars and motor trucks were little used, and that really has a great bearing on emigration to Canada. Young men were trained in the management of horses; practically all transportation with the exception of that carried on by railways was done by horses. That produced a very large number of young men skilled in handling and managing horses, but you cannot find those people in Great Britain to-day; they are driving motor trucks or engaged in some other work and they do not know anything about horses. That is a fundamental lesson they must learn when they are being trained for farm work.

Mr. EDWARDS (Frontenac): Does not the minister think it would be easier for these people from the old country to learn how to drive horses here than it would be for the Doukhobors to learn to keep on their clothing in society?

Mr. FORKE: The gospel of socialism had not then taken hold, and there is another thing which perhaps is not so noticeable to any person who has not closely watched the progress of events in Great Britain; the criticism of Canadian rural life was not so strong then as it is to-day. Some sections of the press in Great Britain are very friendly to Canada but are utterly opposed to emigration; they believe that matters can be righted, social conditions made better and England made a green and pleasant land for all who dwell therein. That is a very

prevalent idea in Great Britain to-day, which makes emigration from that country very much more difficult.

I see my time is almost up, but I would like to say a few words with regard to the harvesting movement. When I was returning from Great Britain in 1927 I received a marconigram from the British government while on board ship asking if I would permit 5,000 harvesters to come to Canada. That was at the end of July; August and harvest time were almost upon us and I could not agree to bringing that number of people to Canada late in the year, having them take a chance on getting work and being able to live through the winter on the money they made. I refused to agree to that suggestion at that time, and some time ago I saw that a Liberal member of the British House of Commons cited my refusal as another proof that Canada was opposed to British emigration. However, I want to say that no one connected with the immigration department of Great Britain made any such statement; no minister of the crown said anything of the kind, but a private member of the British House of Commons made that statement.

This year they requested permission to send 20,000 men to Canada. I immediately replied that the largest number we could think of was just one-half that, or 10,000 men. We had made an exhaustive inquiry, assisted by the Labour department and in consultation with the provincial governments, as to the number of harvesters who would be required in western Canada, and every estimate we had then was that help would be very scarce, that we needed more men than we could get and that it would be perfectly all right to bring a certain number of these harvesters from Great Britain to Canada. The arrangements were very stringent; the British government undertook the whole responsibility for the movement. They undertook to see that these people would be of a certain age, that they would be people accustomed to hard work, that if they were unable to take care of themselves after reaching Canada they would be provided for and that they would be taken back home if they were unable to locate here permanently and had not earned sufficient money to pay their return passage.

Everyone knows the circumstances of that experiment, but I want to say that the British government lived up to their obligations in every respect and did everything they said they would do. I am not one of those who admit that this movement was a total failure; perhaps it was not as successful as it might have been. Some harvesters came here who were not what they should have been, and I have no doubt there was an occasional Shylock among the farmers who took advantage of some of the boys when they should not have done so. All these things are liable to happen in a movement of 8,000 people, but a very large number of these harvesters gave good service in western Canada. If you will pardon a personal reference, we had four boys from Plymouth on our own farm. They were not miners but dock labourers; they were a little awkward and stupid at the start, but perhaps if I had shouldered coal and carried it on board a ship I would have done much worse than they did. However, they did their work with a little help; they were very satisfactory and I can assure you that I was very glad to have their services. They were well worth the money they received, $4 a day for stooking and $5 for threshing. When they left they were kind enough to leave a letter in the house saying how well they were pleased with their treatment and that at least two of them were coming back to Canada after they had talked matters over with their young wives in England. I do not think that was an exceptional experience; I think the same thing occurred in many other instances. However, I do think this movement proved that any large bulk immigration into Canada without proper care with regard to placing the immigrants and providing employment would be a dangerous thing, and that it should not be duplicated unless every precaution is taken to have employment ready for the men when they come to Canada.

I would have liked to say a word about medical examinations, but my time is almost up so I will pass over that point; I think most of the trouble in that connection has disappeared. The United States has a quota and New Zealand has closed the door altogether; they are not taking any more immigrants at present. The door is open in Canada, but I do not expect any phenomenal increase of British immigrants. I want to say that now in order to discount what may happen in the future, and I do not think anyone who is fair in his criticisms can blame Canada if we are not getting a sufficient number of immigrants in comparison to those going to other countries.

There is another phase of the situation which I would like to point out to the house; I think I observed it in something or other connected with the League of Nations. It was pointed out that the population of Europe has increased by five per cent since 1914, notwithstanding the fact that 10,000,000 people

died during the war. The birth rate in Great Britain and in northwestern Europe is falling—

Mr. SPEAKER: Order. The hon. gentleman's time is up.

Mr. A. M. EDWARDS (South Waterloo): Mr. Speaker, in rising to offer my contribution to the budget I quite realize that the subject matter of the debate does not permit of very much controversy. It is rather on the acts of omission that I desire to comment. The preceding speaker, the Minister of Immigration (Mr. Forke) naturally devoted the major portion of his time to affairs pertaining to his department. As I understood his remarks regarding immigration, they were entirely along the lines of immigration to the farm. Before I conclude I wish to show that there is at least one other avenue of approach which, if he would follow it up, would prove a solution of a part of this difficult question.

I wish to congratulate the Minister of Finance (Mr. Robb) for having brought down the budget at such an early period of the session. Ever since we have been hearing so much about the death knell of protection industry has been more or less unsettled each year until the budget was brought down. Fortunately there was not very much to worry about this year, for which we are deeply grateful.

We all appreciate what has been said in the previous speeches, and in the budget speech itself, regarding the prosperity of Canada. I am quite willing to admit this prosperity in a general way. It is true that there have been tremendous building programs in the large centres; the bank clearings, the railway reports and the reports of the insurance companies certainly indicate progress along those lines, but I am not so sure that this condition applies to the ordinary man, the man who is not connected with some of these large institutions. Speeches have been made in this house during the present session by the agriculturists of western Canada and the fruitgrowers of British Columbia, and it would seem that their condition is not particularly good. I remember a large delegation which came to interview the government last year. They met in the railway committee room to present their case. They were the fruit and vegetable growers from coast to coast, and not even the wildest stretch of imagination could place a political aspect upon that deputation. They were here in an earnest effort to try to improve their situation. They asked for some relief during certain seasons of the year, that a seasonal protection should be afforded for one month or possibly six weeks during the time they were marketing their products. During the balance of the year, the ten or eleven months remaining, they were perfectly willing that the products from the United States should come in free of duty. They certainly did not receive very much encouragement at that meeting. I remember talking to one or two of those men who came from southwestern Ontario, in the county of Essex. One man told me that he specialized in the growing of cabbages. He told how the farmers in his district would club together and ship a car or cars up to North Bay to be distributed in that part of the country by a commisison broker. But they also had a home market in the peninsula, the city of Windsor being the principal city market. He told how he had loaded his truck with cabbages and had peddled them for two days in the city of Windsor offering them at 75 cents per bushel, but had very few takers. He went back to his farm and wired the commission broker in North Bay, offering the cabbages at 75 cents per bushel f.o.b. North Bay. The reply came back that the price was too high, that the broker could purchase all he wanted on the Buffalo market at about half the price. That is the position of these growers, and I hope this government will see fit to take steps before the present session closes to protect this ever-growing and very valuable industry.

The member for South Wellington (Mr. Guthrie) has covered the situation with regard to the Canadian national railways extremely well. He gave a very able description of the way in which the railways had been combined into one unit. He told us of the situation which had existed before the amalgamation took place, and of the opposition of the present government, who were the opposition at that time. I cannot help but think of the posters which appeared on the bill-boards in western Ontario during the 1926 elections. These bill-boards were placarded with the appeal: "Vote for Mackenzie King and save the Canadian National Railways."

The reduction of one per cent in the sales tax is very welcome, but it does not go far enough. This side of the house is on record as being in favour of abolishing the sales tax on clothing and shoes. Those articles are necessary for every family, and it is practically the heaviest tax imposed on them. They are not particularly interested in the income tax, in the three per cent reduction on telegrams and cablegrams, the one per cent reduction on railway tickets or the ten per cent reduction on parlour car and sleeping car tickets. Such reductions apply to only a very small

portion of our population, and ninety-five per cent of the people will never be benefited by them.

In my contribution to the budget debate of last year I devoted my time almost entirely to the condition of the textile industry of this country, particularly those branches relating to woollen woven and worsted cloth. If I may be permitted to follow my notes rather closely, I would like to put on Hansard the present situation of this industry. Previous to the tariff revisions in the 1928 budget there was a duty of 12½ per cent on worsted and woollen yarns, 40's and finer, coming into this country under the British preference, the rate on importations from other countries being somewhat higher. I endeavoured to point out at that time what the inevitable result would be of removing this tariff. There would first be the demoralizing effect the change would have on the woollen and worsted cloth industry of this country by the importation of the finished yarns from England. This would take from Canadian workmen the labour required to manufacture the raw wool into yarn and transfer it to the workmen overseas. The scouring and cleaning of the wool, carding it and spinning it into yarns is the heaviest part of the textile industry. This work requires mostly male labour, and the male worker is generally the head of a family. I will prove in a moment how that business, as pertains particularly to worsted cloths, has been wiped out, and I will show how serious this is for the families dependent upon this industry. Not only does it transfer the work to workmen overseas, but it means the scrapping of huge quantities of expensive machinery. I pointed this out in my budget speech last year, as some of the members will remember. If they do not recollect the statement, they will find it on pages 732, 733 and 734 of volume 1 of Hansard, 1928, respecting a comparison of wages as between Yorkshire and Canada; the eight-hour day; the minimum wage law; the Workmen's Compensation Act; safety devices of various kinds which we in this country consider fair and right but which do not obtain in the factories overseas; all adding to the burden of overhead which must be computed in arriving at the cost of production. Living conditions in this country are undoubtedly better, and to this I may add that,, in my opinion, wages in this industry in this country are at the present time much lower than they should be to maintain a good standard of living and at the same time enable the parents to give their children the necessary qualifications to put them in a position to compete in after life on even terms with other children more favourably situated. But under the present unsatisfactory conditions which obtain in this country, not only is it impossible to increase wages, but since 1926 the wages have actually been reduced 10 per cent.

I am going to follow up my statements made in 1928 with facts and figures secured from reliable sources which will show that the statements which I made were correct and, further, that conditions in the woollen and worsted cloth industries are worse than I had anticipated. In the constituency of South Waterloo, which I have the honour to represent in this house, there is one large mill devoted entirely to the woollen woven cloth industry. This plant employs 225 or 230 hands, and I wish at this point to distinguish between the woollen woven industry and the worsted industry, because they are quite different. In the constituency of South Waterloo we have what might properly be termed a balanced community. We have a splendid farming district; we have that district farmed by people who are not only frugal and industrious but really first class citizens and the urban centres are highly industralized. In other words, in this particular part of Ontario, not only in the constituency which I represent but in the constituencies which are contiguous to it, we have what I call a balanced community. In other words, 95 per cent of the products of the farm in that district are consumed by the people living there. This, to my mind, is the real essence of the policy of the Conservative party.

I have selected the textile industry for the reason that it has been so unfairly dealt with by the government, notwithstanding the fact that the case of the woollen and worsted cloth mills was fully and clearly placed before the Tariff Advisory Board, a thorough inspection of the plants made by the board's inspectors, and an admission made by them to the effect that some relief should be given. The inspectors I may say, had free access to the books of the company. The woollen woven cloth mill of which I spoke has not been benefited one bit by the removal of the 12½ per cent duty on yarn, and I will give the house the reason. Manufacturers of woollen cloths using mule-spun yarns have been unable to procure from England mule-spun yarns for their product. There is, in fact, no regular trade in England supplying mule-spun yarns for export, and although a number of sample lots of such woollen yarns have been imported into Canada since these yarns were made free of duty from Great Britain, the Canadian manufacturers, for the reasons before stated, have

found it practically impossible to purchase yarns from that source. If it were possible for the manufacturers of woollen cloths in Canada to import these yarns satisfactorily, this would mean only the closing down of the spinning departments of Canada, placing the capital invested in this department in the discard and putting the employees, most of whom are heads of families, out of work. The portion of overhead charges in the Canadian mills which has been borne by the spinning sections of the woollen mills, would be placed as an added burden upon the weaving industry, of the carding and weaving departments of our mills, were the spinning departments closed down and the yarns imported from abroad. The imports of woollen cloths for the ten months ending December last amounted to 14,527,000 yards. or half a million yards more than in the same period of 1927. These figures are from the Bradford Board of Trade and they do not include large inmportations from the continent. It does not require much training in finance to enable one to see that free yarn from Great Britain for the Canadian woollen industry is a proven failure, and I do not think there is any doubt that the Minister of Finance has ample evidence that this expedient of bringing relief to a crippled industry has not brought about the desired result. I am fully convinced, and I believe hon. members of the house are aware, that every possible effort has been exerted by the woollen cloth industry of Canada to meet the competition from Great Britain and the continent. Our Canadian mills are equipped with the very latest machinery and they have availed themselves of every means of reducing costs of manufacturing, but it has been found impossible, by importing the mule-spun yarns, further to reduce the costs of these goods. One of the arguments advanced for removing the duty from these yarns was that the manufacturers of woollen woven goods would be able to bring into this country the yarns to make their product at a less price and that they would consequently be able to reduce the cost.

I now wish to turn to the worsted cloth manufacturing industry in Canada, and I will take as an example a mill in my constituency employing from 800 to 900 people. One can understand that in a town of perhaps 3,000 people an industry employing 800 or 900 hands is a very valuable industry and anything that is done to disturb that industry in any way is a serious matter for the people of that community. I am fully convinced that the means that have been taken to assist this industry have been futile. It is true that worsted yarns can be imported at slightly lower prices than such yarns would cost if made in the mills of Canada. That the Canadian worsted cloth manufacturers are taking advantage of these imported yarns is evidenced by the fact that the importation of such yarns has increased in the period since the budget of 1928, but along with these increases in the importation of worsted weaving yarns, what do we find? Do we find that worsted cloths are coming into this country in less quantity? No. We find that Canada is still being deluged with manufactured worsted goods from Great Britain and the continent, and I do not believe the minister expects at this moment to find the imports of such woven worsteds for the fiscal year ending March 31 will show any reduction from the tremendous imports of these goods in former years. Therefore, even the importation of this yarn free of duty supposed to assist the industry and the manufacturers of worsted cloth, has been a failure.

I will give the figures in a few minutes regarding the importation of all these goods into Canada. Taking the Bradford Board of Trade official figures on exports for the ten months following the budget of 1928, it is shown that 7,416,000 yards of worsteds were exported from Great Britain to Canada as against 6,707,000 yards exported to Canada for the same period of 1927. It is still more alarming to find that in the last six months of 1928 there were 5,020,000 yards of worsted cloths imported into Canada from Great Britain as against 3,904,000 yards in the same six months of 1927, thus clearly indicating that the situation is becoming worse instead of better. When one realizes that the importation of this huge quantity of worsted cloth is more than sufficient to make a suit of clothes for every adult male in Canada, one gets some idea of what is left for the mills and the working people of this country who are employed in that line. The fact of the matter is that in Canada to-day, as a result of many changes made in recent years in the woollen tariff rates, we have arrived at the point where what should be a vast industry in Canada is being sacrificed to competition from other lands, and thousands of industrial workers who should be employed in Canada at Canadian rates of wages are not employed in our country at all. These people are employed in countries overseas, and many of them on the continent, at rates of wages quite incomparable with what these people would be paid if they were living in Canada.

I want to give the house some comparative figures showing the tremendous quantity of worsted and serges coming into this country during the calendar years of 1927 and 1928. This report is from the Bureau of Statistics, so I presume it is accurate. Imports of worsteds and serges, including coatings, are as follows:

Calendar Year	Total Imports
1927.. .. ..yards	10,769,936
	$13,721,069
1928.. .. ..yards	10,646,614
	$13,708,247

Another point I wish to emphasize in this regard is the imports of Australian wool.

Mr. ADSHEAD: Raw wool.

Mr. EDWARDS (Waterloo): Yes. This large worsted mill that I spoke of employing 800 or 900 people, brought into this country every year prior to 1928 from 1,200 to 1,500 or 1,600 bales of Australian wool. These bales weighed 300 pounds each. That wool was brought into this country, mixed with a percentage of Canadian wool, scoured and spun into yarn, and it went on through the process of being made into worsted cloth. This mill in 1928 did not purchase one pound of Australian wool. They had some wool left over, it is true, sufficient for the first two or three months, but after that they bought all their worsted yarns from Yorkshire. The value of the wool imported from Australia for the years ended March 31, 1926, 1927 and 1928—and by the way, this is also a return—is as follows:

1926..	$384,533
1927..	279,065
1928..	167,321

Hon. members can see that the amount is divided in half. The quantity in pounds of wool imported from Australia for the years ended March 31, 1926, 1927 and 1928 is as follows:

	Pounds
1926..	728,030
1927..	676,244
1928..	320,324

In other words, almost exactly one-half the quantity of Australian wool was brought into this country in 1928 as compared with what was imported in 1927.

Mr. ADSHEAD: It comes in free of duty, does it not?

Mr. EDWARDS (Waterloo): Yes. the result of all this has been to wipe out the spinning industry in worsted mills. About a week ago I had the privilege of spending a day or two in the large mill that I was speaking of, and the spinning department with hundreds of thousands of dollars' worth of machinery was standing idle. By comparing the records of working hours I found that whereas before the tariff was touched on the textile industry, this particular mill a few years ago was operating not only full time but overtime, to-day the percentage of idle hours in the same mill runs from 20 to 40 per cent per week. These figures which I am giving are incontrovertible; they are absolutely correct, and hon. members can see the harm that has been done to this particular industry.

Mr. ADSHEAD: On account of the British preference?

Mr. EDWARDS (Waterloo): On account of the removal of the 12½ per cent on the woollen yarn, and the British preference.

This means that large quantities of Canadian wool formerly used to mix with Australian wool were not used, and the producer of this wool in Canada suffered accordingly. Hundreds of thousands of dollars worth of spinning machinery is standing idle and the employees, mostly men in this department. have been forced to secure work elsewhere. About a week ago I investigated the conditions in the mill, and found this to be absolutely correct.

Now, Mr. Speaker, what is the other side of the picture? Are the people of Canada to-day purchasing their clothes any cheaper? Has there been any reduction in the price of clothing? Are the members in this chamber to-day buying their suits fifty cents cheaper than they were before this tariff was mutilated in this way? I think not. The purchaser of the cloth may possibly get some concession, I do not know; but everyone knows that not very much consideration is given to the cost of the cloth in the price of a suit of clothes, when you take into consideration, the amount of cloth going into a fifty or sixty dollar suit. It does not make very much difference in the price of the suit if you take fifty or sixty cents off the yarn that goes into the making of it.

I think I am justified, Mr. Speaker, in view of the incontrovertible statements which I have made, in requesting the government to institute a commission of inquiry to investigate the whole question of wool production and fabrication of woollen goods in the Dominion of Canada.

The Minister of Immigration discussed the immigration problem, and I said that I might be able to suggest some avenues by which it would be possible to bring more people into Canada. In view of the great immigration

problem facing this country, can anyone doubt that British working people, many of them experienced in the textile trades of England, Scotland and Ireland—now unemployed—would add greatly to the prosperity of Canada if they were permitted to come to Canada to be steadily employed in the industry for which their experience has fitted them?

An hon. MEMBER: Besides employing our own people.

Mr. EDWARDS (Waterloo): Yes. There is one other matter which I wish to take up and that is the representations that were made before the tariff advisory board by the textile people last year. That application was bitterly contested by manufacturers of those lines in England. They appeared before that board protesting against any change in the proposal to reimpose the 12½ per cent duty. What do we find to-day? The very same gentleman who appeared before our tariff board protesting against assistance to the industries of this country are to-day using exactly the same arguments before the British board of inquiry with regard to products coming into Great Britain from central Europe. They argue that on account of the lower standard of living conditions the wage costs on the continent are only 77 per cent of those paid in the British mills, and the British application asks for a safeguarding duty which will compensate for this differential.

It was shown before our tariff board that British wages are only about 66 per cent of those being paid in Canadian mills. So that the relative protective duties required against British and continental competition in this market on wage costs alone are shown to be necessarily much higher than those at present in force.

The British safeguarding application is being backed by the majority of the woollen and worsted manufacturing concerns in the Bradford and Huddersfield districts. The opposition comes principally from the woollen and worsted cloth merchants, together with a few manufacturing establishments particularly concerned in this market, whose fear is that the granting of the British application will result in an increase of the Canadian import duties.

The opponents of the British application have attempted to belittle the efficiency of the British mills, just in the same way as those from Great Britain who appeared before our tariff board endeavoured to belittle the Canadian manufacturers of these lines of goods, saying their mills were inefficiently equipped and their machinery not up-to-date. It is the same old story of not being able to produce cheaply enough. The argument all gets back to the matter of wages and the cost of living in lowering the cost of production. Goodness knows we do not want a lowering of wages in any industry in this country; we would rather see them increased.

Boiled down, it simply means that so far as that application is concerned, if the people in Canada making worsteds and woollen cloth cannot successfully compete with the manufacturers in Yorkshire, and if the manufacturers in Yorkshire cannot compete successfully with the manufacturers in Czechoslovakia or some other of the mid-European countries, before long it will not make any difference whether we have the British preference or not, the people of this country will be buying their goods direct from the manufacturers in central Europe. The only encouragement required to transfer these unemployed citizens of the old land to employment in Canada is the encouragement which is possible from an intelligently constructed tariff on woollen textiles, which would enable woollen manufacturing in Canada to regain its place among the thrifty and prosperous industrial structures of the Dominion.

With the permission of the house I will place on Hansard the information which I have referred to, and which is taken from the Manual of the Textile Industry of Canada:

Principal Statistics of the Woollen Manufacturing Industries in Canada for the Calendar Year 1926

	No. of Establishments	Capital invested	No. of Employees	Salaries and Wages	Cost of Materials	Value of Products
Woollen Cloth Mills.. ..	54	$20,735,523	4675	$3,973,294	$8,680,304	$15,503,073
Woollen and Worsted Yarns	17	8,417,695	1436	1,144,571	4,062,118	7,006,877
Carpets, Matts and Rugs.	17	4,037,183	828	843,035	1,515,052	3,152,800
Woollen Goods n.e.s.. ..	28	7,994,200	1080	978,244	2,947,112	5,738,462
Total..	116	$41,184,601	8019	$6,939,144	$17,204,586	$31,401,222

Mr. J. L. ILSLEY (Hants-Kings): Mr. Speaker, I desire to address the house for a short time on some features of the financial statement presented to the house by the Minister of Finance (Mr. Robb), and then to deal with a few matters of particular interest to the province of Nova Scotia from which I come.

The outstanding feature of the budget, it seems to me, is the announcement that for the current fiscal year Canada will have a revenue of $450,000,000. There are three extraordinary features about that announcement: First, the enormous size of the revenue; second, the comparatively small population from which it is raised; third, the announcement comes after several years of drastic tax reductions. In periods of prosperity revenue is said to be buoyant, and I think it may well be said that Canada's revenues are buoyant at the present time; and this is the best evidence of the real fundamental prosperity of the country.

The existence of such large revenues raises an important question: What should the policy of the government be with respect to expenditures? Undoubtedly a great many people would welcome a policy of freer expenditures. In Halifax we have a paper which at the present time is advocating freer expenditures on the part of the government. This paper says:

> Let posterity carry some of the burden assumed by this generation in the name of posterity.

In other words, there is opposition to these huge surpluses being applied to the reduction of the national debt. But it appears to me that if any hon. member had a business which was heavily mortgaged, and consequently his interest charges were burdensome, he would in times of prosperity attempt to cut down his mortgage and interest charges. Therefore in my view the policy of the Minister of Finance in budgetting for large surpluses, and applying those surpluses to the reduction of the national debt in these periods of prosperity, is the proper policy for the national welfare. And we have the welcome announcement that the bonds amounting to $60,000,000, which will fall due in August 1929, will be retired out of surplus revenues, thus reducing the annual interest charge by $3,300,000.

There is a second feature of the budget which I think calls for passing notice. I refer to the substantial reduction of the sales tax. Speaking for myself, and I think for my constituents, I am glad that the sales tax is being reduced instead of the income tax. Some newspapers give the impression that the only opposition to any reduction in the income tax comes from western Canada. Well, I come from the east, and I think that I am reflecting the opinions of my constituents when I say that it is better to get rid of the sales tax before we begin to reduce the income tax any further. I do not blame the government for not wiping out the sales tax at once. I have listened to the arguments of the opposition during the last two sessions urging that the sales tax should be eliminated entirely; but the answer given by the Minister of Finance, that when great reductions in this tax take place there is a shrinkage in the value of retail stocks, which may very possibly give rise to claims against the government for compensation, appears to me to be a convincing one. The sales tax should be reduced by degrees and eventually eliminated, and that is the policy which the government of the day is following.

There is a third feature of the budget to which I should like to refer, and that is the almost entire absence of any change either upward or downward in the tariff. There are a few tariff reductions and, I believe, one tariff increase, to meet a particular situation. There will be in the country, of course, some disappointment; many persons who would like to have the tariff increased, as for instance the hon. gentleman who has just preceded me, and some of the members from other constituencies in Nova Scotia will be disappointed because there are no tariff increases. On the other hand there are some members of the house who are disappointed because there have not been more drastic tariff reductions. But we should always bear in mind the great difficulties which any government of Canada has to face in adjusting the tariff so as to meet conditions in all parts of the Dominion. The Dominion of Canada is of such vast extent, and has so many industries, that the interests of one industry in one part of the country are very likely to conflict with the interests of another industry in another part; and what would benefit one, so far as tariff changes are concerned, would injure another. And not only is that true, but very often the interests of one industry in one part of the Dominion are not identical with the interests of the same industry in another part of the Dominion. One of the most interesting examples of that is the recent instance of two applications before the Advisory Board on Tariff and Taxation, one by the coal operators of British Columbia, asking for the abolition of all duties on coal, and another by the coal operators of Nova Scotia asking that certain drawbacks be

eliminated, which would be in effect an increase or rather a restoration of duties on coal. That instance of conflict of interest between different branches of the coal industry itself shows very clearly the great difficulty which the government of Canada has in framing a satisfactory tariff policy. And what is true of the coal industry is to a certain extent also true of the fruit industry.

I of course come from a fruit growing constituency, and therefore I have listened with more than ordinary interest to the references which have been made by hon. gentlemen opposite to the needs and requirements of the fruit-growing industry. A great many members on the Conservative side of the house have urged that the fruit industry in Canada is not adequately protected at the present time, and that the course of the government is quite clear; they suggest that the government should give additional protection to the fruit industry. Now, because I know something about the fruit industry I should like to discuss that matter from the standpoint, first, of Canada as a whole, and then from the standpoint of the province of Nova Scotia. One would perhaps think, after listening to the discussions in the house, that the fruit industry existed only in one part of Canada, or perhaps in two sections of the country, British Columbia and Ontario. But I would remind hon. members that there are three fruit-growing areas in Canada, one in British Columbia, one in Ontario, and one in Nova Scotia. And in a normal year the fruit area of Nova Scotia produces more fruit than does either of the other areas.

An hon. MEMBER: Oh no.

Mr. ILSLEY: Well, I have the figures; I am referring to a normal year. I am not speaking of the last two or three years, because conditions, climatic and otherwise, have been abnormal; they have been adverse. In a normal year, however, the production in Nova Scotia is greater than it is in Ontario or British Columbia. That was true in 1923 and in 1924, and I believe it was also true in 1925, although I am not sure about that. But when we come to normal years we find that this is the fact. In many respects the fruit industry of Nova Scotia is based on a more solid foundation than is the fruit industry in other parts of Canada, and this for two reasons: one is the cheapness of production of fruit in Nova Scotia, and the other the cheapness of distribution. So far as cheapness of production is concerned, it requires only a moment's consideration to see that where we need no irrigation, where the trees are long lived, where labour is cheap, where the cost of packages is fairly low, production costs are low. And so far as the cost of distribution goes, we are nearer the coast. Our transportation charges to the British market and to the markets of continental Europe, which we are rapidly penetrating, are much lower than are the transportation charges which our competitors have to meet. Similarly, the transportation cost to the great city market of Canada, Montreal, is much less than the transportation cost to the growers in British Columbia. For these reasons, the fruit industry of Nova Scotia rests, as I say, on a solid foundation, and my prediction is that it is on the eve of a great period of expansion and prosperity.

During the last year we have had remarkable results upon the British market and in continental markets. Our barrel fruit has outsold and brought higher returns than the boxed fruit from other parts of Canada. I am entitled therefore to take the time of the house for a few minutes discussing the tariff requirements of the fruit industry of Nova Scotia. There is a great difference in the marketing problems of the fruit growers in British Columbia, in Ontario and in Nova Scotia respectively. I have here a few figures showing the distribution of the British Columbia fruit crop during the last five years. The 1923-24 fruit season I will call 1923, the same applying to the succeeding seasons. The following is the table for British Columbia:

Year	Percentage exported
1923	16.80
1924	18.97
1925	22.20
1926	20.46
1927	17.30

In other words, during that period of five years 19.14 per cent of the commercial fruit crop of British Columbia was marketed outside Canada. The figures for Ontario are these:

Year	Percentage exported
1923	7.22
1924	10.46
1925	37.19
1926	10.54
1927	8.47

These figures give an average of 14.77 per cent of the fruit of Ontario which was marketed outside Canada in that period. In other words, less than 20 per cent of the British Columbia crop is exported, and less

than 15 per cent of the Ontario crop. But when we come to Nova Scotia we find the following figures:

Year	Percentage exported
1923	86.4
1924	88.2
1925	87.1
1926	80.6
1927	76

The average in this case for the last five years is 83.66 per cent.

Mr. STEVENS: Do they produce any peaches or stone fruit in Nova Scotia similar to the fruit produced in British Columbia and in the Niagara district?

Mr. ILSLEY: I am glad the hon. gentleman has asked that question. I am speaking purely of apples. My figures regarding distribution and marketing relate only to this fruit.

Mr. STEVENS: When the hon. member says that less than 20 per cent of the fruit of British Columbia was exported—or whatever the figure is—does that figure apply to apples alone?

Mr. ILSLEY: Yes, just apples. I am glad indeed to have had an opportunity of clearing up that point. In other words, the province of Nova Scotia is an exporting province. There are those who say that we are turning more to the Canadian market than formerly, and that may possibly be so. But there was the same trend seven years ago, and we came back two or three years later to the foreign markets with a greater proportion than ever. I think it can be safely said that the problems of the fruit growers of Nova Scotia with regard to tariff requirements are very similar to the problems of the wheat growers of the west because both are essentially export industries.

What are these tariff requirements of which I speak? Generally speaking, they are that the tariff should seek a low level rather than a high level. Of course, like everyone else I suppose an individual fruit grower would like a tariff as high as possible on what he sells and a tariff as low as possible on what he buys, but fruit growers as well as others must be reasonable. I think if the fruit growers of Nova Scotia had to choose between a generally high tariff level and a generally low tariff level they would unhesitatingly choose the lower level. And why would they do so? To begin with, it reduces the cost of production. I have here a table showing the extent to which the cost of very many articles used by the fruit growers of Nova Scotia has been reduced during the last seven years. The figures I am about to give are the general tariff rates in 1921 and 1928 respectively. The table does not give the intermediate or British preferential tariffs, because these tariffs do not apply to these commodities:

	1921 Per cent	1928 Per cent
Harrows, manure spreaders	15	7½
Ploughs	17½	10
Other agricultural implements	20	10
Farm wagons	20	10
Fertilizers	10	free
Non-alcoholic liquid preparations for disinfecting, dipping or spraying	25	free
Dry compounds for disinfecting, dipping or spraying	25	free
Dry chemicals for disinfecting, dipping or spraying	17½	free
Spraying machines, fruit or vegetable grading machines, pruning hooks, pruning shears	20	10
Automobile chassis for passenger automobiles valued at retail at not more than $1,200	35	20

I put in that last item because a great many fruit growers in Nova Scotia buy the chassis of a cheap car and convert it into a truck for the transportation of the fruit. In addition, motor trucks for carrying goods entered under a duty of 35 per cent in 1921, while to-day that duty is 20 per cent. In other words, on a long list of articles which the fruit growers must have, the duties have been substantially reduced and that has effected a great saving, not only to the fruit growers of my district but to the fruit growers of the other parts of Canada as well.

The hon. member for South Wellington (Mr. Guthrie) presented the argument that a reduction in the duty did not lower the price. I was astonished to hear that argument especially in regard to agricultural implements, and I secured statistics from the bureau showing that the prices in 1924 were reduced almost to the extent of the reduction in the duty which took place in that year. I have figures covering a long list of agricultural implements and comparing the prices of January, 1924, with the prices after the reduction in the duty, showing that the reduction actually was reflected in the price of the commodity on which the duty was reduced.

Mr. LADNER: Does the list give to-day's prices?

Mr. ILSLEY: Yes; I can show it to my hon. friend. I think the hon. member for South Wellington started with 1921 instead of with 1924; the reduction took place in 1924 and that was the time with which he should have started. I think that was the

error he made when he drew the conclusion that the farmers were gold-bricked by the reduction of duties in 1924, because undoubtedly there was a reduction in prices. Last year the reduction in the duty on fungicides and insecticides made a difference in production costs in the Annapolis valley of a very large sum. I hold in my hand an advertisement clipped from one of the rural newspapers of my constituency, dated April 19, 1928, which reads as follows:

> Lower Prices for Niagara Dust
>
> Owing to the duty being taken off insecticides, we are pleased to advise that we are able to make a big reduction in the price of dusting materials and will be able to sell our sulphur lead mixtures—that is, 90-10 and 85-15—nearly $1 per bag under last year's price.

Then follows some material not relevant to my argument, over the signature of the Niagara Dust Company. That reduction was applied all along the line as the result of a very considerable reduction last year in the duties on fungicides and insecticides. That has to do with the first reason why the fruit growers of Nova Scotia are benefited by a low tariff rather than by a high tariff policy; their cost of production is less and they are thereby enabled to compete in the British and continental markets on more even terms with their competitors in New York state and Virginia.

The second reason is that a low tariff policy undoubtedly has some favourable effect on ocean freight rates. The matter of ocean freight rates is very vital to persons who use the high seas as their channel of commerce, and no subject causes more discussion or arouses more interest in my constituency. This is because any reduction in ocean freight rates is to the benefit of the shipper; any increase in freight rates comes out of the pockets of the shipper, and therefore he is very much interested in anything which influences these freight rates. If we adopt a policy in this country of shutting out imports from Europe and Great Britain and thereby lessening the volume of west-bound cargoes, the freight charges on east-bound cargoes are necessarily affected somewhat. In order to give some authority for that statement I refer to the special committee appointed in 1925 to consider the Petersen proposals. Speaking of ocean rates on the north Atlantic, that committee said:

> The fact that the west-bound traffic offers cargoes on the whole of less than 25 per cent has, of course, a tendency to raise east-bound rates.

The conclusion we are entitled to draw is that a large volume of imports coming into Canada from Great Britain has a beneficial effect upon our freight charges, and that if we shut out those imports from Great Britain or whittle away the British preference as has been advocated by hon. gentlemen opposite, we indirectly raise the freight rates on our shipments to England.

Then there is a third reason why the fruit growers of Nova Scotia are interested in a low tariff policy, and that is because a low tariff policy strengthens the purchasing power of our customers. We know from experience that when there is a strike of any size in the British Isles or any serious disturbance of business conditions there it has an effect on the price of apples. Nothing could be better calculated permanently to disturb conditions in the British Isles than a prohibitive tariff policy on the part of Canada, a policy which would shut out imports from Great Britain, and for that reason I say we should view this matter in its broad aspects and not get our minds fixed upon one little part of it such as a dumping duty to be applied for a month or so or something of that kind. We should view the whole question in a broad way and we should favour a policy which will keep up the purchasing power of our customers in Great Britain.

When the member for South Waterloo (Mr. Edwards) was speaking I was wondering what the effect of his policy would be if carried to its ultimate conclusion. Does he seriously think that we can continue to sell hundreds of millions of dollars worth of our products to the British Isles and decline to take anything in return; does he think that can be done? My submission is that the British preference has been of great benefit to eastern Canada so far as our exporting industries are concerned, and we have a number of very important industries of that type.

While I am on this subject of the British preference I would like to refer to other effects which it has had upon the industrial life of the province of Nova Scotia. During recent years considerable time has been taken up in talking about the Duncan report and the recommendations contained therein. It seems to me that we have overlooked, during our political discussions, the policy which has had such a beneficial effect upon the commercial life of eastern Canada. We have heard a great many lamentations in this house from certain members for the maritime provinces, but there are two members from whom we do not hear, especially at this session; the two members for Halifax. Why? Because the city of Halifax is enjoying a period of prosperity and expansion; enjoying

a boom, if you like, which is the equal of any it has ever enjoyed in the past. I think one of the chief causes for this condition was the last budget of the Right Hon. Mr. Fielding, delivered in 1923. In that budget it was provided that goods entitled to the British preference would receive a ten per cent discount on the duty otherwise payable if they entered Canada direct from the British port instead of going through a foreign port and being transhipped. I have obtained some figures from the Department of Trade and Commerce which, to my mind, are somewhat surprising. The following list gives the tonnage of inward and outward bound vessels from the port of Halifax:

	Registered Tonnage	
Year	Incoming	Outgoing
1921..	1,359,769	1,620,168
1922..	1,456,991	1,501,762
1923..	1,604,497	1,518,569
1924..	2,318,499	2,146,342
1925..	3,052,078	3,187,189
1926..	3,353,257	3,495,196
1927..	3,255,490	3,232,700
1928..	3,439,539	3,438,154

The Postmaster General (Mr. Veniot) suggests to me that the increase in registered tonnage at St. John was even greater than the increase shown by the above figures. It seems to me that this shows very clearly the beneficial effect of that last budget of Mr. Fielding, and the subsequent budget of April, 1927, which confined the benefits of the British preference to goods which came through Canadian ports.

I have cited these facts to show what the interests of Canada demand in the way of a tariff policy. I can only say that a reversal of the policy of the government, which the Minister of Finance has correctly stated to be a low tariff one, would in my opinion, and I think in the opinion of my constituents, have a prejudicial and injurious effect upon the industries in that part of Nova Scotia which I have the honour to represent. I believe it would also apply to the industries throughout the whole of the province, and I imagine the hon. gentlemen who represent the city of Halifax will be disposed to agree with my contention, at least I hope they will.

Before I close I would like to refer to one event of some importance in the political history of the year, the visit of the leader of the opposition (Mr. Bennett) to the province of Nova Scotia. I had the pleasure of attending a meeting which he addressed in the university town of Wolfville, and I listened to his arguments with regard to the exportation of raw materials from Canada. He spoke at considerable length about copper, but we did not know very much about that commodity because we have none in our part of the province. He discussed asbestos, but that also did not interest us very much. But while he was talking about copper and asbestos there were many in the audience, I feel sure there were many among his supporters on the platform, who were thinking about another product, and that product was gypsum. At that time the provincial government of Nova Scotia and the federal government of Canada were putting forth every effort to prevent our crude gypsum from being excluded from the New England and the New York markets of the United States. In that audience were a great many people who realized that if our crude gypsum were so excluded hundreds of men would be thrown out of employment and thousands of persons would be prejudicially affected. I thank the leader of the opposition for his visit to my constituency because he has created an impression there —perhaps he will correct it if it is a wrong impression—that the policy of the Conservative party is one which would throw out of employment hundreds and perhaps thousands of people in the province of Nova Scotia.

It may be said that my argument is one which leads me to support the subamendment which has been proposed by the member for Battle River (Mr. Spencer), but I can only say that the subamendment is in the nature of a motion proposing lack of confidence in the government and I feel that the record of the government has been very good, especially so far as tariff matters are concerned. The government has done as much as could reasonably be expected in view of the conflicting interests which we have in Canada. I, therefore, shall vote against the subamendment, and, of course, against the amendment proposed by the member for South Wellington (Mr. Guthrie).

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CHARTERED TRUST AND EXECUTOR COMPANY

The house in committee on Bill No. 64, respecting Chartered Trust and Executor Company—Mr. Lawson—Mr. Brown in the chair.

On section 1—increase of capital stock.

Mr. GARDINER: According to the order paper this bill is reported back from the committee as amended. I should like to know the nature of the amendment before we proceed further.

The CHAIRMAN (Mr. Brown): The bill itself does not show any amendment.

Mr. STEVENS: I do not think it was amended.

Mr. ROBB: The explanatory note reads:

The capital stock of the company shall be $1,000,000, divided into shares of $100 each.

The new clause increases the capital to $2,500,000.

Mr. STEVENS: As far as I understand, speaking from memory—I cannot speak positively—there was no amendment to the bill. A mistake must have been made in the order paper.

Mr. ROBB: We might let the bill pass through committee and stand for third reading.

Mr. GARDINER: Mr. Chairman, what do you propose to do with the bill in view of the fact that, according to the order paper, it is reported from committee as amended?

Mr. ROBB: It has been suggested that it might pass the committee stage and be held for third reading until the promoter is present.

Mr. STEVENS: According to the votes and proceedings of the thirteenth instant, number 25, Bill No. 64 was reported without amendment, so that the objection to it, based upon the order paper, would be removed by the report in the votes and proceedings.

Section agreed to.

Bill reported.

SUN LIFE ASSURANCE COMPANY OF CANADA

The house in committee on Bill No. 16, respecting the Sun Life Assurance Company of Canada—Sir Eugene Fiset—Mr. Johnston in the chair.

The CHAIRMAN: The preamble has been amended. The new preamble will read:

Whereas the Sun Life Assurance Company of Canada, hereinafter called the company, has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows.

Then sections 1, 2 and 3 have been struck out.

On section 4—Closing books to stock transfers.

The CHAIRMAN: Section 4 has been amended by adding in the first line after the word "directors" the words "of the company." That is the only amendment to the section.

Section agreed to.

On section 5—Meetings of board of directors.

The CHAIRMAN: In section 5 the word "companies" has been substituted for the word "said" in the first line. Does section 5 carry?

Section agreed to.

Sections 6 and 7 agreed to.

On section 8—Investments authorized.

Mr. SMOKE: Those sections should be renumbered.

The CHAIRMAN: They will be renumbered by the law clerk.

Section agreed to.

On the preamble.

Mr. SPENCER: Mr. Chairman, I just want to draw the attention of the house to the fact that this bill has been before the House of Commons for three years. This is its third year. It has been a very contentious one, and each time it has come up in the house it has been sent to the committee on banking and commerce. It has met with more and more opposition each time, and this year, owing to strenuous opposition in the committee, the promoters of the bill decided to withdraw the most contentious clause of all, that is, the clause with regard to increasing its capital by $2,000,000.

Mr. LADNER: Clarification.

Mr. SPENCER: The hon. member says clarification, but the fact is that the most objectionable part of this bill has been dropped. I simply want to draw the attention of the house to this fact, because in past years some hon. members felt that it was unnecessary to offer any opposition to this bill. The fact that to-day the most objectionable clause has been withdrawn, I think fully justifies the action taken by some hon. members in fighting the bill in past years.

Mr. HEPBURN: Those of us who have opposed this bill can justify our position now in letting it go through. At the same time, however, I want to pay tribute to those who have taken an active part in opposing the bill.

I would also like to pay tribute to the superintendent of insurance who has kept his department free from blame.

Preamble agreed to.

Bill reported.

SECOND READING

Bill No. 77, respecting the British Colonial Fire Insurance Company and to change its name to British Colonial Assurance.—Mr. Mercier (Laurier-Outremont).

PATENT OF ZEBULUM COLVIN KETCHUM

Mr. CASGRAIN (for Mr. Jacobs) moved the second reading of Bill No. 78, respecting a certain patent of Zebulum Colvin Ketchum.

Mr. GARDINER: Explain.

Mr. CASGRAIN: I have in my hand a statement prepared by the hon. member for Cartier. If the house desires me to read it, I shall do so. However, the information will be given in full in committee.

Motion agreed to and bill read the second time.

PATENT OF JEAN BAPTISTE HURTEAU

Mr. CASGRAIN (for Mr. Duff) moved the second reading of Bill No. 79, respecting a certain patent of Jean Baptiste Hurteau.

Mr. ERNST: Explain.

Mr. CASGRAIN: I have no statement regarding this bill, but an explanation will be given in committee if it is referred there.

Motion agreed to and bill read the second time.

THE BUDGET

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

The house resumed consideration of the motion of Hon. J. A. Robb (Minister of Finance) for Committee of Ways and Means, and the proposed amendment thereto of Mr. Guthrie, and the proposed amendment to the amendment of Mr. Spencer.

Mr. R. K. SMITH (Cumberland): Mr. Speaker, I listened with deep interest to the remarks of the hon. member for Hants-Kings (Mr. Ilsley) this afternoon, and I think I can sincerely say that his exposition and portrayal of the fruit possibilities and potentialities in the province of Nova Scotia was a very lucid and striking one. The hon. member is thoroughly conversant with that phase of industry in Nova Scotia, and his handling of the matter this afternoon is worthy of at least some little tribute. I do not know that I can compliment the hon. gentleman, however, on his handling of the financial affairs of the Dominion of Canada, not with respect to the figures but in connection with the statement he made that in an affluent condition a farmer who had his farm mortgaged would naturally want to set aside a certain amount each year when conditions were encouraging in order to retire the obligation as soon as possible. Well, Mr. Speaker, for some two years past we have contended from this side of the house that the government with their enormous surpluses should be setting aside a certain amount of money annually in order to retire the national debt within a specified number of years, be it thirty, forty or fifty. And while I am on the question of the overflowing treasury, may I say that if the Dominion government feels so affluent with the resources it has at its command and the revenue it is receiving from the people of the Dominion of Canada, it might well exercise some measure of generosity towards the provinces of the Dominion, some of which are struggling very hard in order to make both ends meet. I speak particularly in this connection with respect to the province of Nova Scotia.

Might I mention here that very recently there has been submitted to the government of the province of Nova Scotia an interim report by the commissioner who was appointed to investigate an old age pension scheme in that province, and he has estimated in this report, which is not at all complete, that the total cost to inaugurate such a scheme—of which, I might say, every person in the province of Nova Scotia is heartily in favour—will amount to $4,400,000, the portion to be borne by the province to be $2,200,000, plus the expense of the administration of the scheme. If there is an overflowing treasury, as has been intimated by many of the members on the other side of the house who have spoken, I think it might well be applied in this direction, so that some of our struggling provinces may be able to put into force some such social legislation as the old age pensions scheme.

The hon. member for Hants-Kings also stated that he was glad to see a reduction in the sales tax. Naturally we are all glad, but the reduction does not go far enough. We advocated last session, as we do now, that the sales tax should be abolished, that on such necessities as wearing apparel and boots and shoes particularly the burden of taxation should not be left on the backs of those least able to bear it. We maintain

that the sales tax should be abolished, and there is every reason for the Minister of Finance to take this action. The hon. member expressed the opinion that it would not be wise to abolish the tax immediately for reasons he stated. If I remember correctly, Mr. Speaker, from this side of the house last session it was advocated that a specific date be fixed on which the sales tax would be abolished. Had our suggestion been adopted the shrinkage in retail values which the hon. gentleman put forward as an objection to the abolition of the sales tax would have been avoided, and the matter could have become effective without disrupting business.

He also said that there were a great many lamentations from this side of the house over the refusal of the government to implement in toto the recommendations of the Duncan report. I well remember, sir, when, in the session of 1926, those of us who came from Nova Scotia presented the needs of the maritime provinces, we were taunted from the other side of the house as being calamity-howlers and peddlers of gloom, and similar epithets were hurled at us; but the investigation conducted by the Duncan commission proved that we were not far astray in the claims we made at that time, and the final report fully justified the position we had taken. Therefore it does not seem to me to be appropriate now to accuse us of being calamity-howlers.

Now, with respect to the boasted prosperity of the country, as the hon. member stated, there is a certain amount of prosperity in the province of Nova Scotia. He mentioned Halifax particularly, and I do not think it can be denied that there has been an improvement of conditions at that port; there is a good deal of work going on there to-day. Nor can it be denied that there is some degree of prosperity in different portions of the Dominion, but, as he pointed out, that prosperity for the most part is confined to the larger centres. It is quite true that the banks are bursting with money, and it is also true that the coffers of the insurance companies are overflowing with funds. It may be true that the millionaires are becoming multi-millionaires; but the real test of prosperity is not that the rich are getting richer, and the poor poorer, but that the working people are better off. Unless our national prosperity can stand that test, I do not think it is appropriate for the government to become so insistent about the much heralded prosperity the Dominion is enjoying under their administration; and I submit that the contrary is the fact. Only the other evening the hon. member for West Hamilton (Mr. Bell) cited specific instances of poverty and suffering in his city. Indeed, this unfortunate condition prevails in isolated places all over Canada. I believe there is a measure of spotted prosperity, but it is not a genuine prosperity, for it does not touch the people who most need it, the ones we want to make prosperous—the poor people.

The hon. member for South Wellington (Mr. Guthrie) in a brilliant speech teeming with facts severely castigated the government for its neglect to adopt means to properly safeguard and protect agricultural and industrial life in Canada, and moved an amendment regretting their failure. In supporting the amendment I do not propose to detain the house at any great length. I associate myself most heartily with the remarks of the hon. member for Pictou (Mr. Cantley) protesting against the failure of the government to implement in full the recommendations of the Duncan report. In this protest he is not only speaking his own mind and the minds of the members from the maritime provinces on this side of the house, but he is expressing also the sentiment of all the people of those provinces. The government appointed the Duncan commission, in due course the commission made its report; the government presented it to this house, and it was received with absolute approval by all hon. members. That was about two years ago. Lest there be any misunderstanding with respect to where the government stand in this connection, I may recall to the minds of hon. members some of the statements made by certain ministers. First let me quote the Prime Minister. Speaking in this chamber on January 31, 1928, he said:

> The government at the present time has implemented a very considerable part of the report, and we intend to continue to carry out its recommendations.

That was well over a year ago. Now I come to the Postmaster General (Mr. Veniot). Speaking in St. John on January 18, 1928, he is reported in the Fredericton Daily Gleaner of the following day in these terms:

> The federal government's policy with regard to the Valley railway and the matter of a bounty to the Sydney steel plant would be divulged in a few weeks in a manner that would make every maritimer proud, according to a statement made on Wednesday night by Hon. Dr. P. J. Veniot, Postmaster General, at a banquet tendered in his honour by the Liberals of the constituency of St. John-Albert. All the other recommendations of the Duncan report had been implemented, he said.

On December 1, 1927, speaking at a banquet in the town of Amherst, tendered in his

honour, the Minister of National Defence (Mr. Ralston) is reported in the Halifax Chronicle next day as follows:

> Mr. Ralston told of the long cabinet meetings when the Duncan report was being considered, and quoted the statement of Premier King at that time: "I have told the people of the maritime provinces that I have asked this commission to make specific recommendations in order that we might apply specific remedies, and I regard the carrying out of these recommendations as a matter of honourable obligation to the citizens of Nova Scotia, New Brunswick and Prince Edward Island."

Now, Mr. Speaker, I do not think there is the slightest dispute as to where the government stand with respect to implementing the recommendations contained in the Duncan report. They have gone on record as being in favour of implementing those recommendations in toto. That has not been done; there are some major considerations and recommendations that have not been dealt with up to the present time. We want to know from the government when they intend to implement in full not only those recommendations, but also their solemn pledges given to the people of the maritime provinces on the floor of this house and on almost every public occasion in the maritime provinces when members of the cabinet have dealt with the report.

While I am on that subject I would direct the attention of the house to the report of the Duncan commission, page 36, section 23, with reference to the customs tariff on coal. I quote the following:

> Several features of the customs tariff in its relation to coal were brought to our attention both by the government of Nova Scotia and by the operators of the coal mines. These we feel ourselves precluded from dealing with, since they are a matter properly to be considered by the tariff advisory board; but we may be permitted to say that we are impressed with the need for reconsideration of the customs tariff in its relation to the coal industry and coke, and we recommend that the tariff advisory board should be asked to give immediate consideration to the subject.

I would now ask the Minister of Finance whether the tariff board has ever been asked by this government to give immediate consideration to the matter. I pause for an answer.

Mr. ROBB: As my hon. friend well knows, the inquiry has been in progress before the board for some time, and the people in the maritime provinces are some of them divided among themselves as to what they should have.

Mr. SMITH (Cumberland): They are not in the least divided. Two applications have been before the board, one from the Crowsnest Coal Company in British Columbia, and the other from Besco in Nova Scotia; but that has absolutely nothing to do with the recommendation in the Duncan report requesting the government to ask the tariff board to investigate the matter. Will the Minister of Finance now give me a direct answer to a direct question. Has the government ever asked the tariff board to consider the question of a tariff on coal and steel? I do not think the government has ever asked the tariff board to consider the question. It is true that Besco has asked, and it is also true that the Crowsnest Company in British Columbia has requested consideration of a reduced tariff on coal. But so far as I know there has been no reference from this government to the tariff board.

The minister has spoken of some differences of opinion with respect to the matter. It is true that when the bounty question came up they wanted to postpone the hearing in order to have the government of Nova Scotia represented. But the Premier of Nova Scotia properly said: "This is a settled question. This matter has been settled by the Duncan commission and there is absolutely no necessity for us to reopen something that has already been decided by a board with at least coequal jurisdiction with the tariff advisory board." That is why the government of Nova Scotia would have nothing to do with the investigation in that connection; the matter had been settled and settled satisfactorily to the people of Nova Scotia. Not only that, but ministers of the crown had promised that the settlement in accordance with the recommendations contained in the Duncan report would be made. The government of Nova Scotia would have been putting itself in a most anomalous position if it appeared before the tariff board and asked to have something reconsidered when it had already been considered in their favour, having as a matter of fact been unanimously approved by this parliament and promised by the government. This is one recommendation at least which the government has totally ignored. Let me again quote the exact language of the report:

> And we recommend that the tariff board should be asked to give immediate consideration to the subject.

This report has been in the hands of the government for over two years. I do not know that I need stress further the question of implementing the Duncan report except to say this: the people have been waiting a considerable time to have the ques-

tion properly disposed of. Two years ago, when the government asked for some delay in the matter, many of the members on this side of the house were generous enough, if I may use that expression, to get up and assure them that they would not press the administration at that time, inasmuch as they thought that some little time should be afforded in which to implement the recommendations. We were very glad to make that statement on the floor of the house. But we have waited two years and there is in the budget nothing which intimates that any remedy will be provided as recommended. We are now therefore at the point of vigorous protest. You may call it calamity howling, if you will; you may call us peddlers of gloom or anything you wish. But we are here to perform a duty and so long as we are here we will be heard.

Now I want to deal for a minute or two with the coal industry in Nova Scotia. It is true that there has been a little improvement in the coal fields in that province, due I think, in large measure, to the very capable manner in which the provincial government has handled the mines of the province. There have not been any labour troubles since the Rhodes government came into power. The Minister of Mines is a man of outstanding capacity and ability and he has skilfully guided the affairs of the coal interests in Nova Scotia, so that they have been in a more or less happy position ever since that government assumed power. Nevertheless there is still room for improvement in conditions there. There is opportunity for a larger output of coal in Nova Scotia, provided we can secure the market; and the only way to secure the market is by means of some assistance from this government. Whether it be by lower freight rates, whether it be by tariff measures, whether it be by subventions, whether it be by some system of bonus or by any other means, there is, I say, chance for increased production of coal in Nova Scotia provided we secure the market. I know there are many difficulties in the way of the application of the tariff in its relation to the coal industry, but I am not by any means abandoning what I have always maintained to be one of the things necessary to help the industry, namely, a higher tariff on coal. I have heard a slur cast across the floor of the house many times, but I do not think there is any disagreement, so far as the members on this side of the house are concerned, with respect to properly and adequately protecting every legitimate industry in this Dominion. That has always been the stand of the Conservative party, and that policy has never been abandoned by that party so far as I am able to ascertain. That being the case, there is no reason in the world why the Dominion Fuel Board, constituted by this government, and on which there are many officials, should not be broadened out in scope so that it might be able to bring in proper recommendations to the government as to the best way in which to develop a national fuel and steel policy for this Dominion. No effort has been made by the fuel board along this line. The board costs the country about $20,000 per annum. I have nothing to say with regard to the personnel of the board; they are all capable and efficient men. But they all have other duties to perform, and their work in connection with the Dominion Fuel Board occupies only their spare time. It is incumbent upon the government, if they are not able to cope with the situation themselves—and there is clear evidence that they are not able to cope with it—to place the matter in the hands of some commission or other authority who will work out sooner or later—sooner, we hope—some sort of fuel policy for Canada which will be of benefit not only to the coal interests of the Dominion, to the coal miners, but generally to all the people of the country. We do not know how long it will be before some crisis may overtake us. And we do not want to be dependent upon any country for any staple article such as coal, which is one of the necessities of life. If a big strike should take place in the United States, where we purchase about 17,000,000 tons of coal of different kinds every year, most of it the very kind of coal we can produce in Canada, and if in consequence we were some day unexpectedly shut off from that market—and that might happen —then we should be in a hopeless and helpless position with regard to one of the very necessities of life. I say that I do not believe proper consideration has been given the fuel question in this Dominion, and it is up to this government to place the matter in the hands of some properly constituted board or commission, and have that body develop some scheme and bring in some recommendation which will help solve this great problem. When it is solved, Mr. Speaker, you may rest assured that it will materially help the people of the province of Nova Scotia, one-fifth of whom are dependent upon the coal industry.

Not only has this government not given proper consideration to the coal industry of Canada, but I want to refer to a matter which I brought up last year. When the Canadian National Railways were consolidated, part of the assets of the Grand Trunk consisted of a coal mine in the United States,

operated by a company known as the Rail and River Coal Company, and the Canadian National Railways have been operating that company in the United States for several years past. The company employes about 700 men, and according to the labour organizations of the United States the mine is being operated in an improper manner. There is no union labour employed at that mine; they use the cheapest kind of labour and do not recognize the labour unions. Just here I wish to quote a letter from a high official of the United Mine Workers of America. I do not wish to give the name of this official, but if anyone is interested I shall be glad to show him the correspondence a little later. The letter states:

> The Rail and River Coal Company prior to April 1, 1927, operated its mines under the joint agreement with the United Mine Workers of America and up until that time recognized the principles of collective bargaining in its dealings with the organization chartered by the American labour movement and having jurisdiction throughout the mines of America.

And further:

> They have operated these mines for some months now and have never signified any intentions of recognizing the United Mine Workers, but seemingly are willing to deal with a group associated under a leadership in this vicinity who, because of their communistic doctrines have in some instances been refused by the authorities in this section, to hold meetings, it having been assumed by the authorities due to literature that was distributed, that this element was opposed to our form of government.

Referring to the United Mine Workers of America, I presume.

> One would think that the Canadian government owning and operating a railroad which in turn operates mines, would at least use a system in the operation of its mines that reflects ideals and principles; namely, collective bargaining in their dealings with their employees in the mines and that they should not deal with a group whose aim has been to obstruct the United Mine Workers of America which has always been a part of the system of collective bargaining.

So I say, Mr. Speaker, that it is about time the management of the Canadian National Railways were instructed by this house not to violate the established principles of labour as followed by the United Mine Workers of America; and to see that the men employed in these mines belong to labour unions and receive the consideration which these unions are always so generous to give their members.

Mr. HEAPS: What is the name of the company?

Mr. SMITH (Cumberland): The Rail and River Coal Company.

[Mr. R. K. Smith.]

Mr. RALSTON: Will my hon. friend give the date of the communication?

Mr. SMITH (Cumberland): November 12, 1928; it was written just a few months ago.

Now I would like to deal with the question of the bounty on steel. There may be some idea throughout Canada that this is a political matter, that it is being raised by those who sit on this side of the house as such and that the feeling in regard to it is not unanimous in the province of Nova Scotia. Let me say that we are simply bombarded with resolutions passed by boards of trade all over Nova Scotia asking us to insist that the government carry out the recommendations of the Duncan commission with respect to the bounty on steel. I am not going to read them all, but I intend to read one or two of these resolutions which I think properly express the feelings of the people of Nova Scotia in this connection. First I will read the resolution passed by the Springhill board of trade, and I might say that Springhill is a mining town. The resolution is as follows:

> Whereas the steel companies of Canada do enjoy a special concession, in th form of a drawback in duty on imported coal used in the manufacture of steel; and
>
> Whereas the steel companies operating in the province of Nova Scotia are so situated that this concession is of no advantage; and
>
> Whereas we believe the British Empire Steel Corporation are entitled to a bounty equal to the amount of drawback on every ton of Nova Scotia coal used in the production of steel in this province; and
>
> Whereas this recommendation has already received the endorsement of the Duncan commission;
>
> Therefore resolved that the Dominion government be urged to proceed to put this special bounty into effect at once.

Then follow the names of various hon. members of this house to whom copies of the resolution were to be sent. A similar resolution was passed by the Amherst board of trade; it is rather lengthy and I will not read it, but it is in terms very much the same as the one I have read. The Amherst board of trade passed a resolution of this kind in 1929 and they also passed one in 1928. I have a resolution here which I am sure hon. members of this house will be interested to hear. It was passed over a year ago in a county of Nova Scotia in which there is no coal, it properly shows the spirit of the people of that province whether or not they are located in the coal mining districts. This resolution was passed by the board of trade of the town of Lunenburg. I will omit a few of the recitals—

Mr. YOUNG (Weyburn): Read it all.

Mr. SMITH (Cumberland): I am sure my hon. friend will be glad to hear it all because it is signed by J. J. Kinley, the president of the Liberal association of Nova Scotia. It is as follows:

Whereas, during the last number of years, there has been imported into Canada a huge quantity of coal, occasioning the export of many millions of dollars therefor;

And whereas thousands of tons of foreign iron and steel are being annually imported into this country in direct competition with Canadian industry, while the output of our Canadian plants is less than half their capacity, occasioning the export of many additional millions of dollars;

And whereas the Duncan commission on maritime claims, recognizing the importance of Nova Scotia's steel and coal industry as a national asset, recommended that certain measures be introduced immediately with a view to the establishment of these industries;

Therefore be it resolved that a general policy in connection with the steel and coal industries should be adopted by the parliament of Canada, the aim of such policy being the production in Canada of such coal and steel consumed in Canada, as far as that is possible at the present time; and to take the necessary steps to ensure the expanding of these industries so that eventually Canada may, through them, be enabled to supply its entire requirements;

Further resolved that the recommendations of the Duncan commission made on behalf of these industries be implemented immediately;

Then follows a paragraph containing a list of gentlemen to whom copies of the resolution were to be sent. This resolution comes from the Lunenburg Board of Trade and is signed by J. J. Kinley, president. He is a Liberal member of the local legislature and I think has occupied the position of acting leader of the opposition in the provincial house during the absence of the leader, Mr. Chisholm. It will be very clear to the house that Liberals and Conservatives, boards of trade and the people generally throughout the province of Nova Scotia and I believe throughout the maritime provinces as well, expect these recommendations together with every other recommendation contained in the Duncan report to be implemented without further delay.

There is one other matter I would like to bring up. The other evening I listened to one of the members from Prince Edward Island who spoke in glowing terms of the condition of agriculture in that province. Not long ago I noticed in one of the papers coming from the island that Prince Edward Island farmers were getting very much disturbed and perturbed over the influx into that province of so many California carrots and so much New Zealand butter, so I do not think the island farmer is of the same opinion as the hon. member who attempted to speak on his behalf. Let me say that no matter what the conditions are in Prince Edward Island or the rest of Canada the condition of agriculture and particularly of the dairy industry in Nova Scotia has been made almost intolerable by the influx of New Zealand butter. The herds have been depleted, the swine industry has been affected, the poultry industry has suffered, and generally speaking the whole fabric of agriculture in Nova Scotia has been injured by the influx of this New Zealand butter. The dairymens' associations of the province of Nova Scotia have been passing resolutions for the past three years which have been forwarded to every member, both Liberal and Conservative, from that province. These resolutions have asked the Dominion government to cancel the order in council which permitted New Zealand butter to come into this country under the Australian treaty.

Mr. YOUNG (Weyburn): How does butter affect the poultry industry?

Mr. SMITH (Cumberland): In the same way that it affects the swine industry; poultry thrive on the by-products of the dairy industry. I should think the hon. member, coming from the part of the country he does, would know all about that. Not only have the dairymen's associations passed these resolutions, but the farmers' associations have asked this government to abrogate that part of the treaty which applies to New Zealand. It has been estimated that over 20,000,000 pounds of butter have been dumped on the Canadian market during the past year. Their seasons are exactly the opposite to ours; it is summer time in New Zealand at the present time, there is a rich carpet of feed for the animals and it is impossible for the farmers in the part of the country from which I come to meet that unfair competition. At this time of the year the cattle in our country require shelter and are simply eating their heads off, while the cattle in New Zealand are roaming around the fields at very little cost, and their butter is thrown on our market under the added advantage of a bonus. It does not seem to me that it is fair to an industry such as the dairy industry to have to work under such a disadvantage. There are but a few branches of agriculture in Nova Scotia which can compete with the other countries of the world, and I do not think the dairy industry comes within that category, under existing conditions.

We could not compete with the western meat trade, but it was thought that we would be able to compete in the dairy business. The farmers established dairy herds all over the

province. They began to prosper as a result of the development of those herds, combined with the business in swine which was built up as a by-industry. When New Zealand butter began to swamp the market the farmers discovered that they could not compete and decided they would have to dispose of their herds. When they do that they practically abandon the whole farming industry in our province, because that is about the only profitable phase of it left. I ask the members of the house whether they think it is a proper attitude for any government to take to continue to allow this New Zealand butter to come in and flood our markets and put the Nova Scotia farmers out of business. Resolutions have been sent to the Minister of Agriculture (Mr. Motherwell) from agricultural societies and institutions throughout the whole Dominion, and it seems to me that some attention should be given to this matter. I believe the Australian treaty has been of great help to certain parts of Canada, but I protest against that part of the treaty which allows New Zealand butter to come in under an order in council which was passed without the matter having been discussed on the floor of this house. On behalf of the farmers of Nova Scotia I appeal to the government to give this matter their attention. It is one that is worthy of their notice, and if they knew the conditions which actually exist in the maritime provinces I believe it would have their immediate attention, that is necessary if those conditions are to be remedied.

It is only idle talk to contend that the proposals in the budget form an adequate substitute for the recommendations of the Duncan commission. The coal and steel industry requires a duty sufficiently adequate to safeguard and protect it. It needs a $2 per ton test rate on coal from Cape Breton and Nova Scotia to the Montreal market. A delegation came to Ottawa a short time ago and put this matter before the government. A test rate of $3 per ton was placed on the movement of coal, and while it served some purpose it was found that it was not low enough to enable any great quantity of Nova Scotia coal to seek the present markets and develop new ones. We urge the government to give consideration to the matter of a $2 test rate on the movement of coal from Nova Scotia. We want to see our Canadian coal used in coking plants. The Domestic Fuel Act as it stands to-day is absolutely worthless so far as the use of Canadian coal is concerned. Outside of one small plant in the city of Halifax, Canadian coal is not being used in any coking plant in Canada. They are not taking advantage of the provisions of the Domestic Fuel Act. I was amazed not long ago when I heard a patriotic appeal to the citizens of the Dominion of Canada which was sent over a certain broadcasting station, they were asked to buy a certain grade of coke on the plea that they would be patronizing home industry and helping to build up Canada. But there was one thing they overlooked, and that was to tell the audience that the coke manufactured at this plant was being made of American bituminous coal, coal that could have been supplied from our own mines.

Mr. J. A. GLEN (Marquette): Mr. Speaker, I am sure the hon. member for Cumberland (Mr. Smith) will not blame me if I do not follow him in his argument. He was dealing solely with Nova Scotia problems and the dear old Duncan report; I propose to speak on the budget, which is the matter supposed to be under debate in the house.

The budget and the debate which has followed upon it have raised larger issues than are contained in the terms of the budget. It has awakened a realization in the minds of some of the hon. members opposite that this is a glorious opportunity to put the principle of protection on the lexicon of the agriculturists from the west. It has also put the fear in the minds of some of the farmers, low tariff men and free traders, that they might be affected by this false and emotional doctrine. The budget itself is a very harmless instrument so far as I am concerned. I personally have not uplifted my voice to say, nor has my heart been satisfied, that the provisions contained in the budget will alleviate the burdens of those I represent. I am safe in saying that the budget is absolutely inactive to those of my way of thinking, and the only morsel of satisfaction I get from it is that there have been no additional burdens placed upon us. I realize that the possible outcome of the situation in the United States has had its effect; nevertheless I state to this house that despite what may or may not be done by the United States there are certain things which might well be done by this parliament.

I am very thankful that there has been no reduction in the income tax. I with others last year strongly urged that no reduction should take place in the income tax. I took then, as I do now, the broad general principle that no further reductions should be made in the income tax until the war debt has been brought to a point where it can be reasonably expected to be paid out of consolidated revenue. The Minister of Finance

(Mr. Robb), in his admirable statement, showed that this debt took 42.30 per cent of our revenue. Surely the country has a right to expect that those who are sharing in the largest degree the unprecedented prosperity which all members of the house are speaking of, shall make their contributions undiminished under this tax. The loss of revenue by any reduction will have to be made up somehow, and my fear is that when that time comes, it will be by way of indirect taxation. Some say that the farmers would benefit by a reduction. We had an enormous crop in 1928 and we had a great crop in 1927, but I find that for the year 1927-28 only 291 farmers in Manitoba were able to pay income tax, and I shall be surprised if that number is appreciably increased for 1928-29. It has been pointed out several times during the course of the debate, and I would like to emphasize it from my knowledge, that the margin between profit and loss in last year's farming operations is so meagre and negligible that if there is a bad crop in 1930, hundreds of farmers are likely to become bankrupt. I do not think that is an exaggerated statement. From my personal knowledge I have a good acquaintance with the affairs of many farmers in Manitoba, and I know whereof I speak.

But having spoken thus of the budget, to which I will come back, I should like to refer to the amendment moved by the hon. member for South Wellington (Mr. Guthrie). If only its merit had been as admirable as the form in which it was presented, it would have been irresistible, but the subject matter of my hon. friend's speech was simply an appeal and argument for his point of view in favour of protection. The hon. member for South Wellington is too intelligent to advance the argument that protection could benefit the producer. He knows, if anyone does, that a duty on wheat, which is largely exported, cannot give increased prices to the producer. His amendment must therefore be considered as relating to those whom I might term industrialists. The hon. gentleman's views and mine on that point are as far apart as the poles. There may be room for argument between us with regard to our viewpoint on protection to the industrialist, but there is no argument that a duty on wheat can give increased prices to the producer. Differing, therefore, as I do from the hon. member in the fundamentals of his argument, I must vote against the amendement.

I said in the beginning I thought the budget might have given some remedial relief, and I will instance two commodities which might have been mentioned in the budget. I refer to aluminum and enamelware. These two industries had hearings before the tariff board; they were investigated very thoroughly, and there was in my judgment indisputable evidence presented before the board that a reduction in the tariff on those commodities would be of considerable benefit to the consumer and no detriment to the manufacturer One or two statements have been made in the house somewhat derogatory to the tariff board. Any derogation of the work of the tariff board should in the first instance have come from those who appeared before it, and my information is that manufacturers and all others who have appeared before the board are at one in their sense of the fairness and equity which have been meted out to them in all the hearings. I believe sincerely it is a necessary forum in order to bring out the facts, and the only persons who fear the tariff board are those who do not wish to present their facts in public.

I should like to give one illustration of the effect of what the tariff board has done. Some time ago the Ottawa correspondent of the Manitoba Free Press made a very exhaustive and splendid report of the activities of the Canada Cement Company, and this was published in the Manitoba Free Press. That was followed by an application presented to the board by Mr. A. E. Darby of the Canadian Council of Agriculture. A splendid brief was submitted by Mr. Darby and an equally good response was made by Professor Jackson on behalf of the cement companies. The hearing took place and the issue was keenly fought. The results have not been embodied in the budget, but on the day following the introduction of the budget by the Minister of Finance there was published throughout the Dominion of Canada an intimation from the Canada Cement Company that the price of their goods was reduced ten cents per barrel and in many places fifteen cents per barrel. That reduction which is in some cases thirty per cent and in others fifty per cent of the present duty, on cement, is, I think, attributable to the light of publicity that was given before the tariff board and is as creditable to the cement company as it is to the advocates and to the board itself.

In justification of the reductions in the tariff and in support of the contention that reduced tariffs will provide more employment, I should like to suggest to the government that the present policy of lower tariffs is the policy most suitable for business within the boundaries of Canada. Most of us will remember the direful forebodings that were expressed last session on the budget by hon. gentlemen opposite and in particular, if I

remember aright, the hon. and genial member for Fort William (Mr. Manion) was the gloomiest prophet of all. I listened very carefully to his speech the other day and I certainly expected he would come forward with some illustrations showing that his forebodings were true and that his "I told you so" was correct. But I was disappointed; not a single instance did he give to bear out the prophecy which he made during last session. All he gave was his desire—and I presume as a medical man he is entitled to it—to see the red blood of somebody. He likes red and I venture to submit that he is seeing red just now. It happens that in the United States they have a board that is called the committee of ways and means, House of Representatives, and before that board the manufacturers and the people who are desirous of getting tariffs raised, appear and give evidence, I was very much struck, and I think the house will be somewhat surprised to hear this. On January 30, in their committee's prints, page 4449, is the evidence given by the mayor of the city of Lawrence, Massachusetts. This is rather striking in view of all that has been said with regard to employment in the United States and how that highly protected country is the best country in the world in which to live. Lawrence is a city of 94,000 people, situated about twenty-six miles north of Boston and as many miles from the Atlantic seaboard. The present mayor, after giving a picture of the city and its attractions, has this to say:

> Gradually our mills have been going on shorter time and though we have been optimistic relief has not come. It has been said that from 10,000 to 20,000 people have left the city and none arrived to keep up our population. And may I say cotton and wollen mills do not pay a very high rate of wages and in the dull times the reserve fund of the operative is soon exhausted. I have shown this committee a gradual falling off of valuation for tax purposes about one and a half million in 1928 and perhaps another one and a half million in 1929, which is a direct loss to the city in income at our rate of $26.40 per 1,000 (the second lowest for cities in Massachusetts), $79,200. Not this alone but the closing of a mill such as the United States Worsted Company, which employed 1,500 workers, the Pemberton Mills (cotton) which employed 500; Lawrence Duck Company (cotton) employed 500, the Everett Mills with from 1,600 to 2,000 employed, the Katama with 300 employed; making in all 4,500 workers out of employment.

Then he goes on to say:

> It puts a very heavy burden upon our charity and soldiers' relief departments. There are about 450 vacant stores and 2,300 vacant tenements in our city, so it is again the vicious circle. Mills close down or run on short time, merchants and storekeepers, landlords unable to collect and city handicapped in collection of taxes. I realize that tariff schedules and fixing of rates is work of and for experts, which I am not. The members of this committee know far more than I about this tariff. I am not sure that the remedy for the ills of the textile centers of the country is in further adjustment of rates. I am not sure that the evil which has crept in to this great industry is due as some say to an overproduction of cotton and woollen goods; that there are too many spindles in operation; or that it is due to the investment of American money in the mills of foreign countries, where living conditions are lower and wages lower than in this country, or to the tariff. I am willing to be guided by the national organization experts of cotton and woollen trade, as the leading manufacturing men of our city are in harmony with these men who have made an exhaustive study of this situation. Yet when I see thousands of men and women, good, law-abiding, God-fearing people in my home city walking the streets unemployed; when I see the home that has been acquired and gained by the life work of the father of a family and his sons and daughters, slipping out of his grasp, I turn for assistance to every harbour. I cannot see a community that has progressed for seventy-five years bleed to death without lifting my voice in protest. These things should not be in this richest country in the world. I earnestly ask this committee, not for one instant putting my judgment above yours, to give cities like Lawrence, Lowell, New Bedford, and Fall River relief from these burdens. The people cry out in their anguish; cry out for work and an opportunity to earn a livelihood; to rear their families and pay their debts. If the remedy is in the tariff, as many say it is, I trust this committee will apply this cure, correct, and counteract the evil that exists.

I wonder where these forty-five hundred unemployed went. Just let us read a little further on. This is in the form of question and answer:

> Mr. Treadway: Mr. Landers,—
>
> Mr. Landers is mayor of Lawrence:
>
> —may I ask you if the authorities, like yourself, as mayor of Lawrence, have endeavoured to locate where your population has moved?
>
> Mr. Landers: Yes. We have tried that.
>
> Mr. Treadway: Do you know where they have gone? What percentage of the total population has left Lawrence, for instance, in the past two years?
>
> Mr. Landers: The greatest percentage of them went to Canada.
>
> Mr. Treadway: That is, they were French-Canadians and went back over the line?
>
> Mr. Landers: Yes.
>
> Mr. Treadway: Were they citizens here, or had they come down from Canada?
>
> Mr. Landers: No; they were citizens.
>
> Mr. Treadway: They are our citizens?
>
> Mr. Landers: Yes.
>
> Mr. Treadway: Did they move out permanently, or would they be glad to come back, do you think, if business braced up.
>
> Mr. Landers: There is no question about that. Whenever business does increase in Lawrence, then we have a shortage of tenements.
>
> Mr. Treadway: During 1923 and 1924 there were no empty tenements in Lawrence?

Mr. Landers: No, sir.
Mr. Treadway: When did the decrease start—in 1926 or 1927?
Mr. Landers: About 1925 and 1926.
Mr. Treadway: It was worse in 1927 than it was in 1926?
Mr. Landers: Yes.
Mr. Treadway: Your population has decreased more?
Mr. Landers: Yes, sir.

I am told that a textile factory is being built in Farnham, Quebec, this year, which fact has some relation to the tariff reductions of last year. But, what I wish to point out is that in the United States, this highly protected country which members on the other side so frequently point to, there is a condition of affairs in that city of Lawrence not paralleled in any city in Canada.

I should like, however, to point out several factors in connection with United States and Canadian tariffs which may be of interest, and which must be considered when dealing with our relations with our neighbours to the south. The United States is held up in this house as a highly protected country, and it is a highly protected country, yielding only to Spain in the height of its tariff walls. The United States is held up in this house constantly as being unfair to Canada, and its tariff walls against Canada are too high; much too high. Yet there are certain facts which must be recognized in connection with trade with the United States.

During this debate it has been held by some hon. gentlemen that Canada has not retaliated, has not built up its walls as high as those of the United States against this country; yet an analysis of the trade flowing between the two countries, taking the figures for 1926, shows that 74 per cent of the exports from Canada to the United States were free, while only 29 per cent of the imports from the United States States into Canada were not dutiable. If the average rate of duty on all imports is taken as a measure of protection, it will be found that for the years 1926-1927 this rate was 13 per cent for the United States and 15.4 per cent for Canada.

An examination of the free list of the two countries reveals certain similarities, and naturally certain contrasts. The core of each list is made up of raw materials, such, for example, as crude minerals, raw cotton, raw silk, tanning and dyeing materials, crude rubber and crude petroleum. In addition there are certain exotic food products, such as tea and coffee, which although dutiable in Canada on the theory that we need the revenue, are not equally dutiable in the United States.

It may be that we sometimes blame the United States unjustly. Certainly we think of them as having a duty on everything that they produce if we produce it, and yet coal is on their free list; cement is on their free list, as well as planed boards and a number of other commodities. We think of them, however, as imposing a duty on these commodities, and there is a duty on them, but only as against countries that themselves impose a duty. In other words, we could have free access to the United States in these commodities under present conditions at least if we gave the United States free access of these commodities into Canada.

The United States has chosen to leave certain industries unprotected. That may seem strange to the members of this house. I do not mean raw materials; I mean manufactured products, such as newsprint, boots and shoes, leather, agricultural implements and binder twine. I wish to draw attention to the fact that only one of these products, binder twine, is unprotected in Canada, and I wish to point out also that our manufacturers are sending leather and newsprint in large quantities to the United States and taking advantage of the free market in that country. I do not know how long these commodities are going to remain on the free list of the United States, but I do know that a lot of the talk that has been heard in this house in the last few days as to "red-blooded action" is not likely to lead to their continuation on the free list, and if they disappear the manufacturers of this country who are engaged in export trade will know whom they have to blame for the closing of the United States market against them.

Comment has been made as to the disparity between our imports from the United States and those from the United Kingdom. I yield to no one in my desire that my adopted country shall trade with my mother country, and yet I cannot close my eyes to sound business practice, and the channels of trade that flow according to climatic conditions. I should indeed, be glad if we were able to buy our raw cotton within the British Empire. With all my heart I pray for the success of the British government in its effort to make the British Empire independent in its cotton supply. We have in India and in Africa the kind of climate that is needed but it takes many years of slow, patient work to lead the producers of these countries to selectivity in seeds, to proper method of cultivation, and to a proper cleaning of the raw cotton. Until such time as the British Empire is self-supporting in the matter of the raw materials we require in this country and

which by reason of climatic conditions or otherwise, we cannot ourselves produce, then we must buy them from the country in which we can get them the cheapest, and that country often happens to be the United States.

We have heard a great deal about the iron and steel industry and the necessity of protecting it, and yet in a sense the iron and steel industry is exotic to this country. We are not making a pound of steel from Canadian ore. We import our ore, some of it, fortunately, from Newfoundland, but most of it from the United States. During the sessions of the tariff board the iron and steel producers from all over Canada were present and were asked if they favoured a duty upon iron ore, and none of them favoured a duty upon iron ore. They were business men. They wanted to buy their raw materials in the market which sold those materials at the lowest price, although that market happened to be the United States.

Once for all, let us recognize that we cannot, much as some of hon. members of this house would have us do so, copy the tariff clothes of the United States and expect to be suitably and well dressed. This country is different, geographically and climatically, from the United States. This country develops its natural resources, and tariff laws everywhere must adjust themselves to the conditions which it is proposed they shall serve; and, as a result of our limitations, the raw materials out of which are manufactured the necessities of life have frequently to be imported. Foreign trade is more important to the Dominion of Canada than it is to the United States. Now the United States, by reason of its high tariff, has also restricted its imports, and there is a growing feeling against a high tariff in the United States, despite what is said to the contrary. Leading economists there have indicated that this is likely to be the last high tariff congress in that country, because they realize that their export trade is being diminished so appreciably by high tariffs that they will have to call a halt. As a matter of fact there is a good deal of laughter in the United States, on the part of those who know, with regard to the demands at present made in Washington. And the one thing which will kill any project is to laugh at it. The United States has become alarmed, seriously alarmed as a matter of fact, and if I had time I would read to you an extract from the report of the proceedings of the same committee. It is rather long however and I will therefore give the gist of it. It is this: that the exports to Cuba from the United States have been so tremendously diminished as a result of the imposition of a high tariff against Cuban goods entering the United States that the economists of the United States are becoming very much alarmed indeed. In many cases, the goods formerly purchased from the United States by the Cubans are now reduced to a half and a third. That is the position with regard to the United States. I do not think that anyone can fail to understand why it is that we who represent the exporters of Canada—the industry which is responsible for most of the export trade of the country, the wheat industry—fear that it is likely to be throttled by high duties such as, if hon. gentlemen opposite were in power, would be imposed upon goods entering Canada; because high import duties in Canada would act as they have acted in the United States and everywhere else—they would shut out imports.

In closing I wish to say something on the doctrine of retaliation as preached by the Conservatives. I heard with dismay the other night the astounding proposal of the hon. member for Vancouver South (Mr. Ladner), that the government be given authority to make immediate tariff changes to meet any fiscal changes that may take place in the United States. I can hardly imagine that any responsible member on the Conservative benches would support or even countenance a proposal so preposterous. Let me say to the hon. member that I cannot understand how under any conceivable circumstances any western member would delegate to any government such an exclusive parliamentary privilege in connection with so contentious a subject as the tariff. Goodness knows, we have plenty of trouble meantime with the officials who presume to interpret our tariff regulations, without giving the government a blanket power as is suggested. I am quite sure that we shall hear something from the leader of the opposition (Mr. Bennett) when he speaks on this question. I can hardly imagine his being likely to countenance such a proposal.

If my reading of history is correct, I should say that, apart from religious wars, nearly all wars have had, as one of their primary causes, economic conditions. I was reading Henry Kittredge Norton's book, Back of War, and I want to quote therefrom one or two statements in support of the contention I make. At page 74 the author says:

> It is not needful for us to go into the merits or demerits of protective tariffs. That they result in an intensification of the economic conflict between nations can hardly be disputed, and that is the aspect of the matter which interests us here. The general effect of the protective tariff system is that each nation, no matter how small, strenuously endeavours to

become economically self-sufficient. No nation has ever succeeded in doing this. Even the United States, with a vast continent of unexampled resources and a considerable tropic empire, is dependent upon outside sources for rubber, coffee, and a score of other essential raw materials and foodstuffs. Great Britain, with an even more extended and varied territory, is equally dependent upon other nations. The same is true of every other state, yet the effort goes on and each nation strives to increase the amount and variety of its own products, at no matter what economic loss to its own people.

The tariff is the chief and typical instrument by which this uneconmic competition is carried on. In most countries it has long since forgotten the "revenue" stage, and in many it has even passed the "protective" stage. It is frankly a "retaliatory" measure. A prohibitory tariff is erected against the products of a particular nation, either to penalize that nation or to be removed in return for special favours. Sometimes a general reduction is made on both sides by a "reciprocity" agreement. The tariff is a powerful weapon in the economic warfare which is prevalent to-day in peace times. When it is used ruthlessly and with sole regard to the advantage of the nation using it, or as a direct thrust at some other nation, it may well become an important factor in precipitating armed conflict.

And in one short paragraph he sums up his views thus:

War is not to be persuaded out of existence. Our only hope for an era of continued peace is to recognize and deal with the causes of international conflict. These are largely economic. They are not wholly so, and the economic cause is frequently overlaid with numerous layers of insulation made up of high-sounding protestations of patriotism, national honour, and national rights. It is the task of the sincere worker for world peace to cut through these outer layers and lay bare the real causes of dispute, and to demand that the statesmen of the world deal with these sanely and constructively.

If this is not a sufficient authority, I was looking at Norman Angell's book, Human Nature and the Peace Problem, and in it he gives two or three quotations from one of the leading journalists in the old country—I do not think one would be exaggerating if one said, the leading journalist—Mr. J. L. Garvin. Mr. Garvin is the author of a post-war book entitled The Economic Foundations of Peace, and its first chapter summary begins:

A primary war, largely about food and raw materials: inseparable connection of the politics and economics of the peace.

And his first paragraph contains the following:

The war with many names was in one main aspect a war about food supply and raw materials. To this extent it was Germany's fight to escape from the economic position of inter-independence without security into which she had insensibly fallen—to obtain for herself independent control of an ample share in the world's supplies of primary resources. The war meant much else, but it meant this as well and this was a vital factor in its causes.

Now it is impossible to develop this theme in a forty minute speech, and it must wait therefore for another place and more leisure. But I view with a good deal of uneasiness the utterances of Conservative members of the house in this debate. Any dispute with the United States which is likely to take place in the future must come about over matters concerning commerce, trade or financial claims. Our Prime Minister (Mr. Mackenzie King), when he was in the old country, made the proud boast that there was between the two countries a boundary in which there was not a fort. Shall we begin a tariff wall against those people, with all the attendant dangers, suspicion and ill will? No one can deny or will deny that the United States have, as Canada has, the right to change their customs law; that is their inherent right as it is ours. Does it not resolve itself simply into this, that if the United States do not wish to trade with us there is no other course for us to follow but to seek the markets of the world, and preferably of course the British market? I shall await with a good deal of interest the speech of the leader of the opposition, for I am quite sure that he will modify the mischievous utterances of many of his followers in this debate during his absence.

Now, one would naturally conclude that I must of necessity vote for the subamendment. I think the subamendment need not have been introduced at all.

Some hon. MEMBERS: Oh, oh.

Mr. GLEN: I will give my reasons, and then perhaps hon. members will not be so prone to laugh. If the subamendment be carried, what does it mean? It means the nullification of the proposals of the government as submitted in the budget. The hon. member (Mr. Spencer) who moved the subamendment spoke in praise of several of the terms and provisions of the budget, and he would be the last man to wish to bring about its rejection. He is enunciating in his subamendment what by most members on this side of the house is acknowledged as a principle which they can logically support. But the answer to the subamendment has already been made by the Minister of Finance in his budget speech. At page 594 of Hansard of March 1 he said:

It is gratifying to note the steady development of inter-empire trade. Canada, the pioneer of the British preference, looks on empire trade as the keystone of its external trade policy,

and desires in every way to foster closer trading relations throughout the British commonwealth of nations.

If that is not a declaration of policy, I do not know what is. The words are as clear and unmistakable as words can be. In my judgment the subamendment is simply a work of supererorgation, and therefore I shall oppose it.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I shall not try to emulate the eloquence of those hon. members who have immediately preceded me, but in my own small way I shall try to tell the house what I think of the budget. I was very much surprised to hear the last speaker (Mr. Glen) say that the budget was a harmless instrument, that in fact it was a negative instrument. I suppose he looks upon the budget very much in the same way that we used to look upon some old woman's medicine—if it did not help, it at least would not hurt. I was also rather surprised to hear him say that he was very glad that there were no reductions in the income tax. Well, some reductions were made in the income tax last session, but on that occasion the hon. gentleman did not show his dissatisfaction by his vote.

Now, the budget presented to the house by the hon. Minister of Finance (Mr. Robb) will no doubt be heralded throughout the length and breadth of Canada by the friends of the Liberal party as a marvellous revelation of financial ingenuity, revealing as it does the great ability of the minister and his reputed passion for economy. Right here, sir, in respect to this much talked-of economy, I wonder whether the Minister of Finance does not feel pretty much in the same position as his prototype of many centuries ago, who when questioned by the king of that day as to his happiness and contentment said:

I envy nobody, no not I,
And nobody envies me,
I owe no money I cannot pay;
I thank the river Dee
That turns the mill that grinds the corn
To feed my babes and me.

But when I look into the eye of the minister and see that wistful look of sadness, I have to come to another conclusion.

The Liberals will also point with great pride to the unprecedented surplus of seventy million dollars, to a reduction in taxes, and also to a decrease in the national debt. But no mention will be made of any reduction in the tariff, as it will be found much better to leave well enough alone. One might easily argue that if the minister had not successfully gambled on future prosperity, in other words, if our field crops and the products of our forests, mines and factories had not produced so much wealth and thereby given our people more money with which to pay taxes, the result would not have been so satisfactory to him. But I am willing to give him the benefit of the doubt, and in so far as the sales tax and other nuisance taxes are concerned I shall go even to the length of extending to him my congratulations for the reductions made therein.

I wish to deal with three things, Mr. Speaker; first, the tariff; next, the railway situation; and, if I have any time left, certain phases of immigration. In respect to the tariff changes in this budget, having in view the alleged tariff policy of the Liberal party, I cannot very well see my way clear to offer any commendation to the government. The tariff changes in my opinion are completely negligible in that they offer no relief whatsoever to those engaged in agriculture, and the tariff resolutions that will follow this debate, while on their face they appear impressive, will be found after the calm reflection that usually follows a close analysis to mean but very little. They make free a few minor articles that are hardly ever used in this country, but in no shape or form do they affect any real industry one way or the other. In view, therefore, of the great divergence between Liberal promise and Liberal performance I cannot pass over my remarks on the budget without some appeal to the party to the right of the Speaker for a stricter adherence to the principles on which they were elected to parliament, for I fear if this is not done those engaged in agriculture will be placed in the same position as the polar bear perched on an iceberg which is gradually melting away as it approaches the equator.

It is not enough for the Minister of Finance to make the trite remark, "We are the only low tariff party in the House of Commons." Such a statement must be backed up by action, for actions speak louder than words. It is not the first time we have heard a member of the government do lip service with respect to a low tariff policy and we know it will not be the last; and, having this in mind, well do I remember the remark made by the hon. member for Rosetown (Mr. Evans) wherein he said that the Liberals, after dodging the tariff issue since confederation, experienced a softening of the heart inasmuch as they actually lowered the tariff in 1904 on soft soap and false teeth; and in 1929, after undergoing a similar psychological

change, the hon. Minister of Finance out of the goodness of his heart actually ran the terrible risk of lowering the duty on cocoanuts. "From false teeth to cocoanuts we lowered the duty on everything," might very well be the party slogan at the next election.

Now, from information I have gathered from expert sources, I have learned that since 1888 the difference between the Liberals and the Conservatives in respect to the tariff has been eight-tenths of one per cent in favour of the Liberals—a difference which in my estimation is nothing much to blow about. In view of this fact I would like to ask the government whether or not the tariff is an issue, and if it is an issue will the members of the government still claim to be the apostles of a lower tariff? Personally, Mr. Speaker, I feel like the man from Missouri; I do not believe in any platitudinous humbug; I want the government to produce the goods, but have the government produced the goods? My opinion is emphatically in the negative.

I do not wish to burden this house with any statistics or voluminous references; I simply wish to give a review of the three years I have been in this house, which I think will be quite sufficient for my purposes. What happened here in 1927? So far as any revision of the tariff was concerned, absolutely nothing happened, and since one may find reasons for almost anything, so have the government found an alibi for their attitude in connection with the tariff. In that year the minister explained that there could be no revision until the Advisory Board on Tariff and Taxation had finished some cases which were before them. According to my information they did finish some cases that year, but the minister did not take account of those cases at all. Indeed, the only satisfaction we received that year was what consolation we could take from the statement made by the Minister of Finance, as follows:

> We shall move forward cautiously with the aid of the knowledge of the facts secured by the tariff advisory board towards the goal of making our tariff structure bear as lightly as possible on production, on industry and the people generally, having in view the greater prosperity of all legitimate industries of Canada. The tariff must be made to serve the best interests of the Canadian people as a whole. It must be adjusted from time to time to meet the needs, not of one class or group of industries alone, whichever one that might be, but of our whole economic structure.

It is hard to conceive of a more carefully worded statement than the one I have just quoted and behind which the government have striven to remain so snugly secure. Nothing so irritates a bear as to be suddenly awakened from his long winter sleep by a casual intruder, and I cannot imagine a more apt analogy than that of an aggressive member of this house piercing through the thin armour of the superficial apologetics of this statement made by the Minister of Finance. Certainly I cannot regard it as anything but an attempt on the part of the government to put a quietus on the policy of low tariff, in view of some of the disturbing elements on that side of the house. As I see it, the Liberal party is divided into three different parts; we have the Liberal party proper, who preach low tariff but never practise it; we have the Conservative-Liberals, who decry any low tariff whatsoever, and we have the Liberal-Progressives, who have been led into the party opposite by the astute Prime Minister of Canada under whose magic influences they have been lulled into blissful forgetfulness of the policies which brought them here in 1921. Sometimes, Mr. Speaker, it is very curious indeed what strange bed fellows politics do make.

So far as the budget of 1928 is concerned I think very few people in Canada understood what the items in the budget meant; they were chiefly concerned with the schedules of the textile industry, and the only clear thing about them was that they were in line with the policy of the government of reducing the duties on the products manufactured here and then compensating the manufacturer by an equal reduction on his raw material. The advantage of this can be easily seen; it enabled the government to go to the public and say, "Well, you have nothing to complain about; we reduced the duties on what you have to buy" and then they went back to the manufacturer and said, "Well, we did not hurt you any." The truth of this statement is very well borne out by the campaign speeches of some of the ministers. I know of nothing which so exemplifies the dextrous opportunism of the government so well as a poem written by Stephen Rudansky, a poet of the Ukraine, entitled, "We Need Friends Everywhere." The poem is as follows:

There was an old woman to church inclined,
A church-going dame was she;
She brought some candles she opined
Would be a mark of piety.

Wherever an icon she espied
She placed a candle to burn;
"Two still remain, oh where", she cried,
"Shall I place each one in turn."

She spied St. Michael large and grand,
And Satan's image, both well done;
She placed two candles on a stand,
Near Michael and the Evil One.

The people stared, their rage waxed hot,
"Old woman, stop," cried they;
"Oh fie on thee, oh knowst thou not,
"What waits thee on thy judgment day?"

"What sacrilege," the people cried,
"To place a candle there,
"To honor Satan, ah," they sighed,
"Twere better that the stand were bare."

The woman turned upon the crowd,
Undaunted, bold was she;
"Speak not, oh people, out so loud
"On matters of eternity."

For when you die you know not where
Your spirit shall reside;
"So why not see ere you get there,
"To you, no ill betide."

"It may be hell or paradise,
"The place which you will share
So don't you think it very wise
To make friends everywhere."

Do not the budgets of 1927, 1928 and 1929 well illustrate the propensities of the government for making friends everywhere, and do they not show the Minister of Finance lighting one candle to the farmer and worker and another to the magnate and industrialist, and are not those budgets evidences of how the present government try to satisfy the industrial east while at the same time appeasing the agricultural west with the result that we get a stand-pat budget which leaves the tariff strictly alone? The budget of 1927 was a stand-pat budget; so was that of 1928, and the budget of 1929 differs from those only in the fact it does not make any reduction in the income tax.

I have spoken of alibis and how the government have been able to fall back on these alibis when necessity dictated. In 1927 the alibi was the tariff board, and this year it is Hoover and the United States. The threat that the United States may raise a tariff wall against Canada has apparently saved the face of the government, for in a way it appears to lend a certain amount of justification to a remark made by the Minister of Finance, as follows:

> The board is continuing its inquiries on which substantial progress has already been made into several larger problems which involve the consideration of whole tariff schedules, and the interrelation of many important Canadian industries. While those inquiries are being pursued opportunity will be afforded for considering the possible effect on trade of changes being proposed in the tariff schedules of other countries, should they be implemented by legislation.

In other words, what the minister means is that we will not do anything with the tariff until we know what the United States intend doing. It not only helps the minister extricate himself from a very delicate situation, but it is drafted with a view to exonerate the tariff board from any charges which might be made against that seemingly useless body, which, after two years of effort and an expenditure of about $250,000, has absolutely no concrete achievement to its credit.

I think, Mr. Speaker, that the farmers of Canada are tired of alibis; the farmers of the west especially are tired of playing the part of a poor relation, as it were, thankful for the crumbs falling from the master's table, for all that is given to them by this budget is a few crumbs. It has long been my impression that reason has very little sway in the realm of politics under the party system. I have a suspicion that politics is run on the principle which Barnum enunciated many years ago. Force is the only thing that counts, and that force was very well exemplified in the budgets of 1927, 1928 and 1929. I think it is time that we snapped out of this state of affairs where idealism is recognized as being worse than useless and where force is the only thing that counts. I do not think the town has any right to lord it over the country, and I do not believe the people of the country should try to lord it over the town, but at the present time it seems to me that the town has the best of it. We do not come down here to destroy the factories of the electors who sent the members to the left of the Speaker to this parliament; all we ask is equal rights to all and special privileges to none. The situation appears to me to be somewhat similar to a pyramid standing on its apex; it is a mighty shaky affair. Until we can get a saner balance between the rural and urban interests we will continue to be like that pyramid and this country will be a mighty shaky affair, and this might be exemplified at the next election.

Members of the Liberal party may individually plead discipline and expediency, but that does not exonerate them from dereliction in the matter. I know how they pledged themselves to what would fit in with their party program, and I know something of the promises they made in preelection campaigns and the subsequent ridiculous excuses they had to make for the nonperformance of those pledges. Let us try to imagine the paradoxical position an honest member would be in on that side of the house. Let us imagine that that side of the house is an order called the order of the orange, the exalted ruler of which is the hon. member for Marquette (Mr. Glen). The emblem of this order is an orange placed on a receptacle before the exalted ruler. Suppose an honest member

like the member for Dauphin (Mr. Ward) is brought in for initiation. In the course of that initiation he is asked to repeat these words, "I swear to abide by the rules of this order and accept the orange as an emblem thereof." But the member for Dauphin replies, "That is not an orange, it is a lemon." "The lord high executioner says it is an orange," retorts the hon. member for Marquette, with a wicked leer in his eye, "and so an orange it must be." "Well, all right" mumbles the member for Dauphin dejectedly, "if the executioner says it is an orange I will have to accept it as an orange but it looks for all the world like a lemon to me." And so if we apply the analogy to the realm of politics it seems to be a ridiculous statement to make to call the Liberal party a low tariff party when it is not a low tariff party; in other words, they have promised us oranges but gave us lemons instead. I have always considered the Liberal pronouncements on the budget as giving rise to but one remarkable thing, namely, the paradox wherein that party deceives itself to its own benefit at the expense of the public.

I was rather struck with the statement which the Minister of Immigration (Mr. Forke) made last year when I was speaking on the budget. I made the remark that all the farmer members coming from the west should stick to the principle of low tariff; that we must either hang together on that tenet or hang separately when they got back home. I think it was the Minister of Immigration who interjected the remark, "Hear, hear". I wonder if he will make the same remark to-night.

Mr. FORKE: I am still farming anyway.

Mr. LUCHKOVICH: If the minister would make that remark then I would advise the Liberal-Progressives sitting on that side of the house to hail the minister with these words, "We who are about to die salute thee."

I was rather struck with the statement that the government would refuse to support any extravagance in the spending of the taxpayers' money; I imagine they meant the spending of money for good roads and technical education. It seems to me, Mr. Speaker, that a good deal of money could be lopped off the grants to the Quebec harbour, Ellis bay and other ventures and applied to the building of a much needed all-Canadian highway and technical schools. We would be doing much more good if we spent the money in that manner. In view of the wonderful progress made by Germany and the United States in these matters, the large sums of money spent by those countries and the great international prestige gained thereby, I do not agree with the minister that money spent on these enterprises is extravagance. The chief aim of any government is the greatest happiness for the greatest number, and money spent on technical education which will ensure employment to a great number of our boys and girls and keep them in the country is not extravagance; it is providence. I was rather impressed by the remarks of the leader of the opposition (Mr. Bennett) with regard to technical education. He said that research and technical education were entirely different things having nothing in common. He said that it was only the aristocracy who could dabble in research. I agree with him in that regard, that it is only the university graduate who can take up that line of work. Technical education is limited to the young boys and girls of this country who have not had the opportunity of obtaining a university education. I have always considered too many of those coming out of our high schools were square pegs in round holes. I have always thought there was something wrong with our educational system. But technical education is a great thing for a country like Canada which has a wonderful industrial future before it. I would rather be the Napoleon of bootblacks than a jack-of-all trades; I would rather be proficient in one thing than partly proficient in a hundred things, because I believe that if I were the Napoleon of bootblacks the world would make a beaten path to my door and I would thereby be benefiting the country in which I lived, and also the country would benefit by me.

I will now pass to another matter of very great interest to the people of Canada, that of railroad building. There was a time when the leaders in all walks of life in Canada thought we were at least a half century ahead of our time in railway construction; that in view of our sparse population and limited productive capacity it was suicidal for our railways to make such heavy commitments with no other guarantee than an anticipation of a large business in the near future. To-day we scout such timidity, activated as it was by the belief that railway construction was being overdone. On the contrary we believe that there is not enough of it, especially in such countries as that great hinterland which we call the Peace river. I believe that railways should precede popu-

lation. If we had a railway in the Peace river that would give the people in that country an outlet, it would be but a short time before that whole country would be very largely populated. We required railways very badly fifty years ago and we require them just as badly to-day, and therefore I am heartily in support of the extension branch line programs of both the Canadian Pacific Railway and the Canadian National Railways. I am, however, more deeply interested in the Canadian National Railways, because it is a publicly-owned railway in which the people are deeply concerned, and in which they have a great financial interest. At the same time, however, I do not wish to deprive the Canadian Pacific Railway of its just share of railway building. I believe there is plenty of room for both railways, but I am also of the view that we should put both of those railways on an equal footing. I am very sorry that the resolution proposed by the hon. member for Acadia (Mr. Gardiner) got such little support in the railway committee the other day. I think if his resolution had passed it would have solved one of our great railway problems in Canada to-day, that of putting both railways on an equal footing.

As I review the railway situation in Canada, both railways have been pioneers in certain parts of the Dominion, especially in the west. The Canadian National Railways has been the pioneer in the northern part of Canada, therefore we believe that they have certain prior rights to large areas in the northern part of Canada. The Canadian Pacific Railway has been the pioneer in the southern part of Alberta, and the southern part of Canada, and it is the opinion of some people that they have prior rights because of the pioneering work done by them in that part of the Dominion. But the situation is becoming more complicated now because both railways desire to build in the northern part of Canada. I believe that some agreement should be reached by which we can allocate the territory that has to be served by proposed new branches of both companies in northern Saskatchewan and northern Alberta. And unless we make this agreement the situation will become very complicated indeed. If hon. members will remember the Willingdon-Edmonton situation of last year, and the rank parallelism and high-handed competitive poaching caused thereby, they will, I am sure, before any charters are granted to private companies subject the applications therefor to the closest and most exacting scrutiny. The Toronto Telegram has sized up the situation in an editorial which reads as follows:

[Mr. Luchkovich.]

If public ownership of railways is not to die in Canada the national railways must be put on an equal footing with the Canadian Pacific Railway in regard to franchises. As things stand at present the privately-owned system is at an immense advantage. It goes to parliament and gets a job lot of franchises. The routes they cover may or may not be built in the five years the franchises cover. If the branches are not built, it is possible, even probable, that the franchises will be renewed.

The Canadian National Railways on the other hand, must come to parliament with a three-year program for which the money must be voted. Also the work must be completed within the three years.

The advantage the Canadian Pacific Railway has is that it can preempt territory and build only if development justifies it. In other words, the Canadian Pacific Railway can option territory without paying out a dollar. It can also, and at the same price, head off extensions that the Canadian National Railways are not ready to go on with at the present time. Baldly, the Canadian Pacific Railway is in a position to hedge around the Canadian National Railways with franchises that threaten its entire future.

Fair play demands that the railways be put on an equal footing. The Canadian Pacific Railway, when granted a franchise, should be required to give an undertaking that the line will be built within three years. And this undertaking should be ironclad.

Yes, Mr. Speaker, the Canadian Pacific has a great advantage over the Canadian National, as has been exemplified in the construction of the Willingdon-Edmonton line, and if we are not careful the same thing will be experienced in other parts of Canada. I think that the only thing to do in order to eradicate a condition of this kind is to put both lines on an equal footing.

Now, what is this Willingdon-Edmonton situation to which I have just referred? In the year 1927 the Canadian Pacific railway was granted a charter to complete the line from Cutknife to Whitford lake. The construction was completed in 1928. During the summer and fall of 1928 they continued construction and finished the line to Edmonton. But before the line had been completed to Edmonton a dispute arose between the two companies, which culminated in a hearing before the Board of Railway Commissioners in Edmonton on June 14, 1928. The Canadian National Railways protested against allowing the Canadian Pacific Railway Company to build their branch line from Willingdon to Edmonton, on the ground that they had no charter rights thereto. In reply, the Canadian Pacific Railway Company stated the Willingdon-Edmonton line could be built under the authority granted for the construction of the Swift Current Northwesterly branch, the route may of which was approved in June, 1919. I might point out here, Mr. Speaker, that only

a few small pieces of the grade between Swift Current and Willingdon have been completed, and at that very far apart.

The Swift Current northwesterly branch was built from Swift Current to Empress, about 112 miles, between 1911 and 1914, and a further section between Coronation and Lorraine, about 20 miles, between 1914 and 1915. In 1919 they again took up the question of the extension of this line to Edmonton, and secured the approval of the then Minister of Railways and Canals for a revision of the route, abandoning about fifty miles of the 310 miles already approved to Chatton and extending it via Whitford lake to Edmonton. At the session of parliament in the same year the company obtained authority to extend its Cutknife line to a point in the vicinity of Whitford lake where it was to join the Swift Current-Edmonton line.

In their evidence before the Board of Railway Commissioners the Canadian Pacific Railway Company argued that they were acting under their main charter granted in 1881, by which they were given power to build branches from their main line to any part in Canada. The Canadian National Railway Company claimed that branch lines had to be built continuously from the main line, and that in this case—Willingdon-Edmonton—it was a mere eighty-mile isolated chunk having no real connection with the main line. As a counter argument the Canadian Pacific Railway Company claimed that they could begin building any branch line from whichever end they chose, they could build isolated chunks no matter how far separated, so long as the plan had been approved by the Dominion railway board. "For example," said Mr. Ruel, vice-president of the Canadian National Railways legal department, "the Canadian Pacific Railway by their interpretation might build a railway from Port Nelson on the Hudson bay across the northwestern part of Canada to the mouth of the Mackenzie river, and say it was really a branch from the main line, since the whole plan included a line from Port Nelson down to the main line someday." It would appear, Mr. Speaker, that when we allowed the Canadian Pacific Railway to build across Canada in 1881, we gave that company a charter with very wide powers, powers that were bound to bring both companies into open warfare sooner or later. It is essential therefore that parliament should find some way of putting these two systems on an equality with respect to charter rights. Allow me to read what the Free Press has to say on this point:—

The west has already had examples of Canadian National Railways being blocked in what it regarded as its own territory when the senate rejected its claims on the ground that the Canadian Pacific Railway had obtained a previous charter which it had not executed. The Canadian Pacific Railway was merely reserving the territory for a period of years until it was ready to go in. If allowed to proceed on the five-year charter basis as against the fact that the Canadian National Railways, before it will be granted a charter, must obtain the approval of parliament for the money to build the projected line, the private company can cut the ground from under the government system. The private company can obtain charters for any part of the country where it might have an idea a mineral strike might be made, a power site developed, or a pulp mill constructed. The Canadian National Railways is prevented from doing anything of the kind. It is obvious that parliament must work out some system that will put the two systems on an equality with respect to charter rights. The simple plan would be to follow the procedure now applied to the Canadian National. When the Canadian Pacific Railway sought a charter it would have to bring before parliament the authorization of its shareholders to spend the money on the proposed road within a three-year period, and forfeit its claim to the territory at the end of three years if the line had not been built.

Such a system would give reality to the business of chartering railway lines. It would be fairer to every one. If it is a good system for the government railway system, it should be a good system for the private company.

My objection to the Willingdon-Edmonton line was that it did not go further north; that it paralleled and duplicated the Canadian National railway for forty miles, thus destroying the business chances of such towns as Lamont, Bruederheim and Fort Saskatchewan, in close proximity to which other small stations have been built along the new Canadian Pacific Railway branch. I was very glad to see the railway built in that part of the country, because the farmers had lived there for thirty years, many of them having a haul of thirty-five or forty-five miles to the nearest station and they very much needed railway facilities. But I was very much against the Canadian Pacific Railway building their line in such close proximity to the Canadian National. For forty miles the present Canadian Pacific parallels the Canadian National, and it is one of the most glaring cases of competitive poaching that I know of. Unless this house does something to eradicate this condition of affairs in Canada, we might some day in other parts of the country have situations of the same character. Therefore I think it is high time for parliament to do something with respect to this railway situation, and the best thing we can do is to put the two railways on an equal footing.

Mr. A. E. BOURGEOIS (Kent, N.B.): Mr. Speaker, it is not my intention to take up at any length the time of the house, for, if I mistake not, it is the desire of hon. members on both sides that the business of the house be expedited, consistently, however, with due consideration of all questions which may be submitted.

It is unquestionably a fact that the presentation of the budget is the outstanding event at every session of parliament. It is always most anxiously awaited not only by the house, but by every constituency throughout Canada. We have not been disappointed in our anticipations. The Minister of Finance (Mr. Robb) has again not only demonstrated his keen executive foresight in matters pertaining to the successful administration of the affairs of our country, but has also clearly pointed out the enormous development which has taken place in Canada during the last six years, particularly during the year ending 1928, and has most conclusively given proof to all the countries with which we do business, in other words to the world at large, of the solid foundation upon which rests the financial structure of our country.

The unprecedented prosperity throughout Canada is attributable above all to a kind Providence, and as well to the indefatigable and persistent efforts of our Canadian people, coupled with the stimulating effects of a government whose sane economic policy and fostering influences have contributed so much to the success of every branch of industry.

We marvel, Mr. Speaker, when looking back over the years, at the enormous expansion of our external trade since 1922, which has within the last eleven months reached the stupendous figure of $2,401,627,966, brought about by the opening up of every possible avenue of trade, by the negotiation of trade treaties with all the important countries of the world, and by the granting of a ten per cent preference to all imports from British possessions entering Canada through Canadian ports. This ten per cent preference has greatly stimulated business in the ports of St. John and Halifax and ports along the St. Lawrence, but I regret that the shipping interests of the states of Maine and Massachusetts were a little annoyed at our policy in that regard. It was, however, just another successful business adventure by the government to stimulate and increase trade through our ports, and not, by any means, a retaliatory measure. We desire to live on the most mutual good fellowship terms with our American friends, who, I am sure, are conscious of the fact that we are endeavouring in our own way, as they are in theirs, to increase the happiness of our people. This enormous expansion has had most beneficial results; it has enabled the Minister of Finance each year since 1922 to proclaim surpluses instead of deficits, aggregating in the last six years the grand total of $226,780,000, and resulting in a decrease of interest charges to the extent of the tidy sum of $16,340,013. Not only this, but by the application of a sane, moderate customs tariff policy and the reduction of the sales tax, stamp tax, and various other forms of taxation, we are pleased to note that the government has been able to save to the people of Canada the large sum of $241,000,000. Surely this is a showing of which we should be justly proud, and for which, on behalf of the constituents whom I have the honour to represent, I desire to extend commendations to the Minister of Finance.

Now, sir, in so far as conditions in New Brunswick are concerned, I may say that agriculture, which is our basic industry, was not during the last year as prosperous as we would have desired, due to a depressed state of the potato market, resulting not from any fault of the government, as some would have us believe—for we in New Brunswick are fully convinced that the prosperity of a country is dependent above all things upon the industry and efforts of its people in every sphere of activity—but due to a super abundant crop throughout Canada and particularly in the United States, where notwithstanding the almost prohibitive duty of fifty cents per hundred pounds we have been able, including what we have placed on the Cuban market, to dispose of the major part of our surplus production of potatoes. But if the extreme views of the protectionists in the United States prevail with respect to an increase in the tariff on agricultural products, it will be our duty to look to the east, as the Prime Minister (Mr. Mackenzie King) very properly stated in an address made while on a visit to the maritime provinces some two years ago, making reference to the West Indies trade agreement. I sincerely regret the apparent attitude of the extreme protectionists of the United States, for if carried into effect it will no doubt materially affect our exports. However, I am still hopeful, and as an example of the sentiment which prevails among the more cautious, may I be permitted to quote an editorial published in the Atlanta Journal as appearing in the Ottawa Citizen of March 12, 1928:

There are those among the protectionists themselves who realize that America's interest in Canada is such as to render very dubious the adoption of a policy which would discourage trade relations between the countries, and

thus arouse antagonism that might prove far more costly to America than any passing advantage from higher duties on our Canadian imports. Canada can no longer be regarded as merely a foreign country and treated as such by the United States. These countries have too much in common and there now exists if not by treaty, yet by custom and practice, an interdependence that cannot be ignored. American investments in Canada to-day amount to billions of dollars, and not even Britain as a whole has contributed so largely to Canadian development as has America.

The Atlanta Journal concludes:

It is needless to remark that American capital in Canada is subject to the laws and customs of the Dominion and dependent thereon for fair treatment and protection. Small wonder when we consider this situation, that there is disquietude in the citadel of some of our protectionists when the tariff makers at Washington threaten excessive and prohibitive rates on Canadian imports. American business well may be aware.

This, Mr. Speaker, is very significant and a very timely warning.

Coming to the question of our fisheries, I may say that the year 1928 has been a fairly successful one. It would have been more successful had not the price of live lobsters —which has become a very important industry along the counties of Kent and Westmorland—on the United States market fallen from 25 cents a pound in 1927 to 15 and 16 cents in 1928. With a corresponding drop for lobsters sold by the fishermen to the canning industries, this very materially affected the receipts from that source, but the loss was offset to some extent by the catch of oysters, particularly in the bays of Buctouche and Cocagne in my constituency. Only about 1,000 barrels were taken in 1927, as against 3,000 barrels more than in 1928. This increase is due to nothing more or less than the strict enforcement of the fishery regulations. It is indeed a very profitable source of revenue to those living in the immediate vicinity, during the legal fishing season, from the 25th of September until the ice forms about the 1st of December. The epicure who desires an excellent barrel of oysters I would advise to ask for the famous Buctouche and Cocagne bay oysters.

Thanks to the government's initiative, we now have a fortnightly service of five steamers plying between the Atlantic ports of St. John and Halifax and the British West Indies, luxuriously and comfortably equipped for the business and tourist trade, which is bound to develop. These steamers are also provided with cold storage and all the necessary facilities for the transportation of all classes of merchandise. There is no question about the developing of a large trade within a very few years with the British West Indies, whose population and that of the American republics total about fifteen millions. There is undoubtedly a vast trading opportunity in that direction. It now only lies with the business men and manufacturers of Canada, and particularly of the maritimes, coupled with the assistance of our trade commissioners, to get busy and go after the trade.

Now, sir, coming to the industrial situation in New Brunswick, I may say that we anticipate a large development of the pulp and paper industry in the near future at Dalhousie and Athol in the county of Restigouche, and near Chatham in the county of Northumberland. And I have no hesitancy in saying that this development is wholly due to the determination and vision of the Foster and Veniot administration of provincial affairs in the inauguration of a public ownership hydro policy. Had that policy been continued instead of bartering away the Grand falls hydro power site to three private pulp and paper corporations, we would in the course of a few years be distributing power not only to these pulp and paper industries, but also to other industries in various parts of the province. Then the whole population in course of time could enjoy a prosperity such as has been realized in the province of Ontario under a policy of public ownership. But, Mr. Speaker, time, I hope, will bring about a realization of the aspirations of the people of New Brunswick in that regard.

Coming to the matter of expenditures on breakwaters, the construction and repairs to wharves in the interest of the successful prosecution of the fisheries by our fishermen, as well as in the interest of shipping along the eastern coast of New Brunswick, I must say that there is no justification for the insinuations of extravagance made by some hon. members on the other side of the house because of the necessity of the government in seeing to the requirements of New Brunswick and of the maritimes as a whole in this regard. I can assure you, Mr. Speaker, that when a request is made and favourably reported upon after investigation by the engineering branch at St. John, the work asked for is absolutely necessary, because a staff of engineers more competent and more devoted to the safeguarding of the people's money, at the head of whom is Mr. Geoffrey Stead in the capacity of district engineer for the province of New Brunswick, cannot be found in any part of Canada.

In conclusion I desire to thank the government for what it has done in this matter of public works in my constituency, and for the

interest taken in furthering the prosperity of the province of New Brunswick along other lines, particularly the adjustment in the near future of railway matters and the organization of a separate fisheries department, which I hope will tend to a satisfactory solution of the fisheries question.

On motion of Mr. Ralston the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.32 p.m.

Monday, March 18, 1929

The house met at three o'clock.

GRADING OF GRAIN

WHEAT—REPORT RESPECTING PROTEIN CONTENT

Report prepared by associate committee on grain research, National Research Council, being interim report on protein content as a factor in grading of wheat.—Mr. Malcolm.

CRIMINAL CODE AMENDMENT—MOTOR VEHICLES

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 80, to amend the Criminal Code (motor vehicles).

Mr. MACKENZIE KING: Explain.

Mr. CHURCH: The appalling loss of life in this country from motor cars operated by hit and run drivers has been commented on by many supreme court and superior court judges in all of the provinces as well as by grand juries and coroners' juries. Tens of thousands of lives have been lost, and the necessity for the introduction of a bill of this character was emphasized by Chief Justice Meredith at the London assizes last month, when His Lordship made the statement that everyone knew or should know that the provisions of the criminal code were so uncertain and inconsistent as to be quite inadequate to meet present needs in this matter. The object of this bill is to repeal the section in the criminal code relating to motor vehicles and to enact a provision which will more fully meet the situation. The amendment covers reckless driving, injury to persons, racing, cutting in, hit and run driving and the provision that death caused by motor cars shall be deemed to be murder. Under the code as it stands, murder or manslaughter may be charged where the victim dies, in the case of a hit and run driver, but if the victim survives after injuries there is no penalty except fine under the various motor vehicles acts, and there is no section of the code to fit such a case. The amendments are intended to cover such cases.

[Mr. Bourgeois.]

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—EMPLOYEES FROM OTHER RAILWAYS

Mr. PRICE:

1. Will all employees at present engaged on railways being taken over by the Canadian National Railways be retained in as good positions as at present, and advanced in the service in accordance with their ability?

2. What will be done in so far as participating in the new Canadian National Railways' pension scheme for those employees working on railways now or hereafter acquired by the Canadian National Railways?

3. What maximum age limit will permit an employee, medically fit, to enter the service and participate in pension benefits?

4. How many years' service are required and at what age may an employee under the new Canadian National Railways' pension scheme apply for a retiring allowance?

5. What percentage of his pay will he receive if retired, owing to injury, or incapacity, before the expiration of the ordinary years of service required for pension?

Mr. DUNNING:

1. Full consideration will be given to each individual and if retained in the service each will be given credit for seniority earned on the line on which employed.

2. Any employees of railways acquired by the Canadian National will participate in the proposed pension plan in the same way as employees now in the service of the railway.

3. Fifty years of age is the maximum.

4. The age at which an employee becomes eligible for pension is 65, and 15 years' continuous service are required to qualify.

5. All pension allowances are calculated at the rate of one per cent for each year of service on the highest average rate of wages or pay during any ten consecutive years of service.

Pensions to disabled or incapacitated employees are granted as follows:

To an employee of the age of 60 and under 65 years with 20 or more years of service to his credit retired by reason of permanent physical or mental disability upon the certificate of the company's chief medical officer that for such reason the employee is unfitted to follow his usual or any other suitable employment in the company's service.

To an employee who, after ten or more years of service to his credit, becomes incapable of continuing his service by reason of injuries received whilst actually at work in the employment of the company, but only for so long as his incapacity shall continue.

IMMIGRANTS ENTERING IN 1928

Mr. MANION:

1. How many immigrants came into Canada during the calendar year 1928?
2. What numbers by nationalities?

Mr. FORKE:

1. 166,782.

2. By origins:

British:	
English	28,762
Irish	8,875
Scotch	15,183
Welsh	3,028
	55,848
Preferred countries:	
Finnish	3,674
French	675
German	13,664
Swiss	473
Danish	3,732
Icelandic	26
Norwegian	2,241
Swedish	3,424
	27,909
Albanian	31
Armenian	11
Austrian	425
Belgian	1,261
Bohemian	9
Bulgarian	265
Croatian	1,087
Czech	980
Dalmatian	1
Dutch	1,569
East Indian	55
Esthonian	107
Greek	685
Hebrew	3,532
Italian	849
Japanese	535
Jugo-Slav	2,890
Lettish	74
Lithuanian	1,785
Magyar	6,265
Maltese	25
Moravian	7
Negro	92
Persian	1
Polish	8,319
Portuguese	13
Roumanian	283
Russian	957
Ruthenian	16,039
Serbian	399
Slovak	4,438
Spanish	20
Spanish American	2
Syrian	81
Turkish	2
Via ocean ports	136,849
From United States	29,933
Total immigration	166,782

MULGRAVE-PORT HAWKESBURY FERRY

Mr. MACDOUGALL:

1. Did any employee of the federal government stop or interfere, or attempt to stop or interfere in any way with the operation of the motor car ferry operating between Mulgrave and Port Hawkesbury, at the strait of Canso, Nova Scotia, the ferry referred to being operated by, and under the control of the Nova Scotia government?

2. If so, what is the name of the federal government employee who attempted to stop or interfere with the operation of this ferry?

3. What department of the federal government gave instructions regarding this matter, and what is the name of the federal government official who gave such instructions?

4. Does the federal government take the position that the government of Nova Scotia has not authority to operate ferries operating between points in that province?

5. Did the Dominion government, or any department or official thereof, notify the government of Nova Scotia, or any department, minister or official of that government after October 15, 1928, that the strait of Canso ferry would be stopped unless it complied with certain regulations?

6. If so, on what date was such notification given, on what date was the operation of this ferry stopped, did such notification include instructions, and was time given to carry out such instructions?

7. Is it the intention of the Dominion government to take steps to compel compliance with its instructions respecting this ferry, or is it the intention of the Dominion government to allow this ferry to operate without further interference?

8. Are all provincial ferries operating under similar conditions subjected to the same inspection, and do all comply with the regulations?

9. If not, have any been stopped in the same, or a similar way to the strait of Canso ferry?

10. Are all Canadian National railway ferries subjected to the same regulations and do such ferries comply strictly with those regulations?

11. Do all coastal service boats either operated or subsidized by the Dominion government comply strictly with the regulations?
12. Were any complaints or representations concerning the operation of the strait of Canso ferry made to the Dominion government, or any department or official of the government?
13. If so, from what persons, on what dates, and of what nature?

Mr. CARDIN:

1. Yes.

2. The collector of national revenue, Port Hawkesbury.

3. The Department of Marine and Fisheries as per telegram to the collector of national revenue at Port Hawkesbury, dated 13th September, 1928, signed by E. Hawken, Assistant Deputy Minister of Marine, reading as follows: "You will stop ferry steamers Pont de Canseau and Sir Charles Tupper from running and carrying passengers until such time as they comply with requirements Shipping Act as regards inspection, equipment and certificated officers and engineers."

4. No.

5. On July 11, 1927, J. E. Belliveau of the Department of Highways, Halifax, N.S., was advised by telegram that it was reported that ferries on the strait of Canso were operating without properly certificated officers on board. On the 13th September, 1928, a telegram in the following terms was sent to J. E. Belliveau, Department of Highways, Halifax: "Following telegram has been sent collector of customs, Port Hawkesbury. Begins. You will stop ferry steamers Pont de Canseau and Sir Charles Tupper from running and carrying passengers until such time as they comply with requirements Shipping Act as regards inspection, equipment and certificated officers and engineers." On August 24, 1928, the Department of Highways, Halifax, was telegraphed to as follows: "Am in receipt of telegram from collector national revenue, Hawkesbury, begins: Ferry steamer Pont de Canseau 102 tons register carrying eleven automobiles at present operating without certified captain or mate, ferry steamer Sir Charles Tupper 140 tons register carrying 16 automobiles at present operating without certified mate, both boats only carry three men each, not sufficient to handle lifeboats in emergency. Ends. Will be obliged if subject matter this complaint will receive immediate attention. Stop. With reference to requirements please see sections ninety-four and ninety-five of chapter 186 revised statutes." On 17th October, 1928, J. E. Belliveau was advised that unless action was taken to comply with the law and regulations the vessels would be seized and detained.

[Mr. Macdougall.]

6. Action detaining ferries was taken on 23rd October, 1928. It was considered that sufficient notice had been given to enable compliance with the regulations.

7. It is the intention of the government to carry out the provisions of chapter 186, revised statutes, 1927, and the regulations made thereunder respecting the inspections, manning and life-saving equipment of steamers carrying passengers.

8. All ferries of which the Department of Marine and Fisheries has knowledge are required to comply with the law and regulations in that behalf.

9. Ferries other than those operating on the strait of Canso have been stopped for failure to comply with the law and regulations.

10. All Canadian National railway ferries are subjected to and comply with the provisions of the law and regulations.

11. All coastal service boats whether operated or subsidized by the Dominion government are required to comply with the terms of the law and regulations and so far as the department has knowledge they do actually comply.

12. Yes.

13. W. V. McLean, August 17, 1928; P. J. Walker, July 9, 1927, August 28, 1928, September 6, 1928; W. L. Murray, August 28, 1928; Wm. Duff, September 29, 1928; and Captain Mitchell, supervising examiner of masters and mates, Halifax, October 5, 1928.

DEPARTMENT OF NATIONAL DEFENCE—ARREARS OF SALARIES

Mr. FRASER:

1. What action has been taken by the government in regard to the reference on page X, of the Auditor General's report for 1927-8, vol. 1, commencing at page 220—"Arrears of salaries, National Defence department"?
2. Why were these arrears not provided for by parliament?

Mr. RALSTON:

1. Provision for the arrears in question was made in supplementary vote 419, 1928-29.

2. Answered by No. 1.

BILLINGS BRIDGE POST OFFICE

Mr. STEWART (Leeds):

1. How long has a vacancy existed in the position of postmaster at Billings Bridge, Ontario?
2. What are the names of the applicants for the said position?
3. Why has the vacancy not been filled?

Mr. VENIOT:

1. Post office vacant since the 6th December, 1927.

2. Hector Doresa, Wm. T. Phillips, Mrs. K. Campbell, Edward Sutherland, Mrs. Violet Daisy Dowler, Joseph Henri Lemoine, James Henry McCullough, John Sinclair, Andrew Amos Brule.

3. Certificate for permanent appointment issued by the Civil Service Commission on the 14th March, 1929.

POST OFFICE DEPARTMENT—APPOINTMENTS

Mr. STEWART (Leeds):

What is the total number of cases in which the present Postmaster General, his deputy or his department, or either of them, have rejected or refused to accept the recommendations of the Civil Service Commission as to appointments?

Mr. VENIOT: 32.

CANADA GRAIN ACT

Mr. BOCK:

1. By what amount did the revenue obtained from the administration of the Canada Grain Act exceed the expenditures in each year since 1926?

2. What revenue was obtained from terminal elevator overages in the western inspection division for the same years?

Mr. MALCOLM:

1. Fiscal year

1925-26	$1,083,679 07
1926-27	573,287 58
1927-28	635,043 35
1928-29	672,180 19

2. Crop year

1925-26	nil
1926-27	$ 173,206 69
1927-28	65,913 26
1928-29	14,465 02

The figures given in answer to question No. 2 are also included in the answer to No. 1.

AUDITOR GENERAL'S REPORT

Mr. FRASER:

What action has been taken by the government in regard to the reference in the Auditor General's report of 1927-28, at Page XI, 1st volume, directing attention to the contravention of section 59 of the Consolidated Revenue and Audit Act, in charging the expenses of three departmental officials to civil government contingencies vote, instead of to the vote Deep Sea Fisheries?

Mr. CARDIN: See page 220 of the said report.

QUESTION PASSED AS ORDER FOR RETURN

ADVISORY BOARD ON TARIFF AND TAXATION

Mr. CANTLEY:

1. What persons have acted as expert advisers to the Advisory Board on Tariff and Taxation since its creation in 1926?

2. When was each appointment made and on what matter is he an expert?

3. What is the duration of the expert's engagement?

4. How many days has each devoted to the service?

5. What remuneration has been paid to each, from time of appointment, to date?

Mr. ROBB: Return tabled herewith:

1, 2, 3, 4, 5. Dr. A. W. G. Wilson, expert of Department of Mines, was employed July and August, 1926, and on various occasions since has been called upon to advise in matters of metallurgical research. Paid $300.

Dr. W. A. Mackintosh was employed during summer and fall of 1927 and 1928 (approximately 9 months), as an investigating officer in connection with inquiries re textiles, sugar, iron and steel. Paid $3,574.19.

Prof. G. E. Jackson was employed in 1927 and 1928 (approximately 4½ months), as an investigating officer in connection with inquiries re textiles and printed matter. Paid $1,806.88.

Prof. Henry C. Grant was employed during summer of 1927 as an investigating officer in connection with inquiry re fruits and vegetables. Paid $480.

R. P. Sparks was retained in the fall of 1927 to prepare certain data relating to textiles and was paid a fee of $250.

Prof. W. R. Maxwell was employed in 1928 as an investigating officer (about six weeks), in connection with inquiries re coal and coke and fruits and vegetables. Paid $420.43.

D. H. McDougall was retained in November, 1928, as an expert in connection with inquiries re coal and coke and iron and steel. Services are given as required, totalling to date 25 days. Paid $2,500.

George D. Macdougall was retained in December last as an expert in connection with inquiry regarding iron and steel. Services are given as required, totalling to date 20 days. Paid $1,000.

J. Dix Fraser was retained in November, 1928, as an expert in connection with inquiry re iron and steel. Services are given as required, totalling to date 20 days. No fee paid as yet.

Alex. MacDonald, freight tariffs expert, was retained in November, 1928, and paid a fee of $200.

H. F. Wilson, industrial engineer, was retained at various times during 1927 and 1928 for independent investigations. Fees paid $720.58.

UNOPPOSED MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—PALAIS STATION, QUEBEC

Mr. MERCIER (for Mr. Casgrain):

For a copy of requests and representations, telegrams, letters and other documents, exchanged by and between the government of Canada or the Canadian National Railways and the Canadian Pacific Railway, relative to the entry into the Palais station at Quebec of the trains of the Quebec and Saguenay Railway and the Quebec and Lake St. John.

PUBLIC PRINTING AND STATIONERY—PAPER SUPPLIES

Mr. STEVENS:

For a return showing the quantities and prices of paper supplies shipped from the Department of Public Printing and Stationery to the different departments of the government service in the city of Vancouver during the years 1927 and 1928, including such supplies as wrapping paper, toilet paper, paper towels, printing paper and twine, together with freight or express charges on the same.

Mr. STEVENS:

For a return showing the quantities of paper supplies of all kinds purchased by the Department of Printing and Stationery for the years 1927 and 1928, and showing the price paid for the same, the parties from whom purchases were made with the quantities in each case, and whether or not tenders were called for the same.

ASSISTANT CUSTOMS APPRAISER—GAUGERS DIVISION

Mr. BOUCHARD (for Mr. Power):

For a copy of all applications, ratings and other documents in the possession of the Civil Service Commission, together with a copy of the report of proceedings and decisions thereof, with respect to the appointment of an assistant customs appraiser, Gaugers division, Quebec.

BRIDGE BETWEEN GRENVILLE AND HAWKESBURY

Mr. EDWARDS (Frontenac) (for Sir George Perley):

For a copy of all letters, telegrams, requests, and other documents, received or sent by the government, during the past three years, in connection with the proposed highway bridge across the Ottawa river between Grenville, Quebec, and Hawkesbury, Ontario.

FERRY BETWEEN PORT HAWKESBURY AND MULGRAVE

Mr. MACDOUGALL:

For a copy of all correspondence, letters, telegrams, and other memoranda, relating to an attempt by officials of the federal government to interfere with, or stop, the operation of the Nova Scotia government ferry operating between Port Hawkesbury and Mulgrave, in the province of Nova Scotia.

SLAUGHTER OF TUBERCULOUS CATTLE

Mr. JOHNSTONE (for Mr. MacNutt):

For a return showing—

1. The total amount paid in compensation in the province of Nova Scotia, for animals slaughtered under the Animals Contagious Disease Act, termed The Health of Animals, in each of the years ending March 31, 1926, 1927, and 1928;

2. The amount of compensation paid for cattle slaughtered as re-actors to the tuberculin test for tuberculosis, in each year mentioned;

3. The amount paid as compensation for pure bred registered cattle, and average payment per head. Also showing the same information for grade cattle;

4. The total amount paid in each year in salaries, wages and travelling expenses to officials of the Department of Agriculture in connection with the administration of the tuberculin test for cattle in the province of Nova Scotia;

5. The total amount paid in each year, in salaries, wages and travelling expenses to officials of the Department of Agriculture, in connection with the administration of the tuberculin test throughout the Dominion for the years ending March 31, 1924, 1925, 1926, 1927, and 1928.

DEVELOPMENT OF POWER AT MORRISBURG

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, agreement and orders in council, between the Hydro-Electric Power Commission of Ontario, or the government of the province of Ontario, or any member thereof, and the government of Canada, or any member thereof, relating to an application for lease by the Hydro-Electric Power Commission of Ontario to develop and generate power at Morrisburg, including the minutes of hearing and evidence taken before the Honourable the Minister of Public Works on said application for a permit under Navigable Waters Protection Act, and for the approval of the plans of said proposed works.

CHICAGO WATER DIVERSION

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, orders in council and all other documents between the government of Canada, or any member thereof, and the government of the United States, in relation to the Chicago diversion of waters, covering the period since the return brought down in the session of 1928 to date.

HOUSE OF COMMONS EMPLOYEES

Mr. DUFF:

For a return giving the names and remuneration of all the persons employed in the House of Commons, in the position of messengers, charwomen and cleaning staff, during the sessions

of parliament for the calendar years 1927 and 1928, as well as the names and remuneration of those employed during the whole of 1927 and 1928, with the further information as to where and for whom said employees worked during said periods.

POSTMASTER AT BILLINGS BRIDGE

Mr. SPENCE (for Mr. Stewart (Leeds)):

For a copy of all reports, recommendations, correspondence, memoranda or other documents on file in any department of the government, in any way relating to the appointment of a postmaster to fill the vacancy now existing at Billings Bridge, Ontario.

POSTMASTER AT HAWKESBURY

Mr. SPENCE (for Mr. Stewart (Leeds)):

For a copy of all reports, recommendations, correspondence, memoranda and other documents, on file in any department of the government, in any way relating to the appointment of one Berthiaume, as postmaster at Hawkesbury, Ontario.

EIGHT HOUR DAY

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): In view of the fact that Canada was a signatory to the labour convention with respect to the eight hour day I would like to ask if it is the intention of the government to put that eight hour day into effect with regard to departments or employees of the government now working more than eight hours a day?

Hon. PETER HEENAN (Minister of Labour): In reply I would say that the government are considering the matter.

MOTOR AND PLEASURE BOATS

On the orders of the day:

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): A few days ago several questions were brought forward by the hon. member for Muskoka-Ontario (Mr. McGibbon) with regard to the licensing of small boats in certain waters. I observe that the hon. member is not in his seat at present, but since he appeared quite anxious to have these questions answered I would like to present a statement which I have prepared in regard to this matter.

For many years past representations have been made to this department concerning the need for rules that would effectively control the motor boat situation, to ensure that all craft operating at night should carry proper lights and that boats should not be driven at excessive speeds in minor waters. Some ten years ago representations along these lines were first submitted to the department by the municipal council of Madora and Wood through Doctor McGibbon, then as now a member of the House of Commons. These representations were endorsed by the Humphrey township council and by the council of the town of Gravenhurst. Since then delegations representing the Muskoka Lakes Association, which is a particularly active body in that district, have been coming to the department urging that regulations be made and put into effect on the Muskoka lakes for the protection of the lives of those who are using these waters. These representations became so insistent that last year the department decided to enact regulations under the provisions of section 7 of chapter 89 of the Revised Statutes of Canada, 1927, providing for the licensing and operation of small boats in certain areas. It was decided, however, that these regulations should not become effective last year. Due notice was given in the press that these regulations had been enacted and that it was the intention that they should become effective.

As indicating the view taken of these regulations by the Muskoka Lakes Association, the following resolution was passed at the annual meeting of that body, held on August 14, 1928:

Moved by Sir Thomas White and seconded by Mr. F. C. Gratwich that this association fully approve of the new regulations governing small boats, and that our secretary write the Department of Marine thanking the Minister of Marine, the Hon. Mr. Cardin, and the Deputy Minister of Marine, Mr. Johnston, for their kind consideration and courtesy shown our committee who waited on them on several occasions regarding this important matter, and that our secretary in writing request that the new regulations be put in force on our lakes "as described" next spring, and also request that the Department of Marine advertise the new regulations by poster in all the post offices bordering the lakes by April 15th, and give small boat owners one month to procure the necessary equipment before securing their licenses from the harbour traffic officer, and further that this association heartily approves the action of our executive committee in recommending to the Department of Marine Mr. W. R. Winter, our secretary, for the post of harbour traffic officer with headquarters at Port Carling. Carried unanimously.

On the 15th February last the president and secretary of the Muskoka Lakes Association visited the department and requested that an order in council be passed applying the regu-

lations definitely to the Muskoka lakes during the present season. In view of the fact that it was generally known since last July that it was intended to make the regulations effective in that area this year, and no protest having been received from any quarter, accordant action was taken and the order in council of February 28, 1929—P.C. 363—was passed, a copy of which is herewith submitted. A copy of the order in council of July 12, 1928—P.C. 170—enacting the regulations is also submitted herewith.

The regulations are designed, not for the purpose of creating positions or obtaining revenue, but simply and solely for the protection of human life and property. The fees to be derived from the licenses will be applied towards paying the expenses of the traffic officer and the assistance which will be necessary to properly enforce the regulation.

The view of the Muskoka Lakes Association are set forth in a telegram from the president of that association to the Prime Minister, dated March 15, and reading as follows:

Having noticed a criticism of the regulations for Muskoka by Mr. Peter McGibbon made in the House of Commons, I beg to state that the Muskoka Lakes Association of thirty-five years standing and entirely non-political has been negotiating with the Department of Marine for the new regulations for over three years. The members of our association can not be termed as tourists. They are house-owners who pay taxes and operate ten times as many boats as do the yearly residents. Our lakes are positively unsafe without proper regulations and their enforcement. I have personally talked to many yearly residents of Muskoka and found them all strongly in favour of the new regulations and I firmly believe that eighty per cent of the yearly residents are in favour of the new regulations. I wish respectfully to call your attention to our year book and a letter of August 14th to Mr. A. Johnston, Deputy Minister of Marine. I trust, honourable sir, that the criticism made will not have the slightest effect on the new regulations which we have been striving for years to have put in force.

That is the situation.

An hon. MEMBER: They are ships that pass in the night.

Mr. BENNETT: I am quite sure the member for Muskoka-Ontario (Mr. McGibbon) will be very pleased to receive this information from the minister as a striking illustration of government by order in council.

Mr. CARDIN: It could not be done in any other way.

Mr. BENNETT: Oh, yes it could.

[Mr. Cardin.]

THE BUDGET

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

The house resumed from Friday, March 15, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Hon. Hugh Guthrie, and the proposed amendment to the amendment of Mr. Spencer.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, in the short time at my disposal I can only extend a brief but very sincere word of congratulation to the Minister of Finance (Mr. Robb), and also to the country, on the financial proposals which he has put before the house. I will also deal with some phases of the address made by the member for South Wellington (Mr. Guthrie), and in doing so I desire to pay him the compliment of having delivered an address which was marked with ability, but which at the same time displayed a great deal of ingenuity and dexterity.

The hon. member is a fine advocate and he displayed a good deal of ability in selecting facts and circumstances which would best meet his purposes, and, in disregarding or omitting to make reference to any embarrassing circumstances or facts which would interfere with his arriving at the conclusion which he sought. I will endeavour to point out one or two omissions which he made and which, had he dealt with them, I think might have given a different impression and led to a different result in his reasoning. Take his discussion of what he called the burden of taxation. As has been done previously in this house—for want of a better argument—the hon. member disregarded entirely the fact that there had been reductions in the rates of taxation. He disregarded the fact that under this administration something like $241,000,000 in taxes had been remitted to the people of Canada, and resorted to the expedient of taking an adding machine and arriving at the total amount of revenue received during the last five years of Conservative government and comparing it with the total received during the last five years of Liberal government. He concluded with the argument that because the total of the last five years under Liberal government was $259,000,000 greater than the total of the last five years of Conservative rule, therefore what he calls the burden of taxation has been increased. He even went to the extent of averaging the amount of the increased burden of taxation

each year, and reducing that average to a per capita increase. I would point out to the hon. member that the so-called burden of taxation, which is after all the revenue which has been obtained from the people of this country in connection with the administration of the public services, was increased between those two five-year periods by something like 15 per cent. The hon. member cited a statement of the late Right Hon. William Ewart Gladstone that the rate of taxation meant nothing but that the burden of taxation meant everything. He knows, and the members of this house know perfectly well, that when Mr. Gladstone made that statement he referred not only to the amount but to the capability of the people to bear the burden; the burden of taxation does not mean simply the gross amount, but it refers also to the ability of the people to carry that burden. Therefore, I submit, that in this respect the hon. member omitted to mention a very important fact.

I have before me a comparison of the volume of business—after all, that is what taxation is paid upon—for those two five-year periods. These figures, which appear in the statistics of this Dominion, cover the business done in forestry, mining, construction, manufacturing, trade as indicated by employment in trading establishments, imports, exports, car loadings, shares traded in, and bank debits. The index figure representing the volume of business for the years 1919 to 1921—I am sorry I cannot give the hon. member the figures for 1918, the year he began with, because the statistics have not been made up for that year—is 93.1. I have the same figure for the last four years of Liberal rule—the hon. member referred to the last five years—from 1925 to 1928 inclusive, and it is not 93.1, as it was for the last three years of Conservative rule, but 141.8. There has therefore been an increase of 50 per cent in the volume of business and an increase of less than 15 per cent in revenue collected. That is a very salient fact which the hon. member omitted to mention. He might just as well have said because the country paid $17,000,000 more freight rates last year than was paid the year before that it can be said that there was an increase in the burden of freight rates. But there was no such thing; there was an increase in business, and business was perfectly willing to pay for the facilities to carry on and to take advantage of the prosperity which existed in this country. When my hon. friend compared the period of 1918 to 1922 with the period of 1925 to 1929, he made a comparison concerning a different Canada altogether; a Canada which had emerged from the gloom which existed during the last five years of Conservative rule and had entered into the sunlight of prosperity under Liberal rule.

Allow me to mention another omission which my hon. friend made. It is always a good test to find out what a governing or directing body does with the money which is paid in to or collected by that institution. The hon. member stated that during the period from 1918 to 1922 our friends the Conservatives received and spent $1,739,802,000. That is true. They received that amount and they spent it. But what more did they do? They did not balance their expenditures and I want my hon. friends to note that I have allowed them for all the expenses which are known as war and demobilization expenses.

Mr. BENNETT: For what year?

Mr. RALSTON: For the years 1918 to 1922, and I think my hon. friends, when they are permitted to take off the total of the war and demobilization expenses, are getting the benefit of a good deal, because many items which really belong to current expenses appear in that particular account. I have also given them the benefit of assets transferred from the active to the non-active list, and I still find they are in the hole to the extent of $149,839,-032, after receiving the full amount of $1,739,-802,000 which my hon. friend mentioned the other day. In other words, to take care of current outgoings, leaving aside the transfer of assets from the active to the non-active list, and war and demobilization expenditures, they required $1,889,641,032.

Mr. BENNETT: My hon. friend must be wrong as to that because Mr. Fielding in 1922 said just the opposite. He said the railway deficits.

Mr. RALSTON: I will give my hon. friends the figures taken from the public accounts. I repeat that, having allowed my hon. friends war and demobilization expenses amounting to $1,155,510,989 and after having deducted $237,599,483 for transfer of assets from the active to the non-active list, I find that there is still an increase in debt of $149,839,032. I add that to the amount which my hon. friends collected as revenue and I find the figure which I gave a moment ago of $1,889,641,032.

On the other hand let us take the five years of Liberal rule. As my hon. friend said, we collected $1,998,991,000 and instead of adding to the public debt, as my hon. friends did, to

the tune of $149,000,000, we paid off $190,715,-041 of the debt created by my hon. friends opposite, with the result that all we had to spend for current outgoing was not $1,889,000,-000 odd, which my hon. friend referred to, but $1,808,275,959.

Mr. GUTHRIE: Has the minister made any allowance in his figures for railway deficits?

Mr. RALSTON: I expected my hon. friend would ask that. The Conservatives did lend the railways on account of deficit and capital $213,000,000 more than the Liberals did out of current outlay, but on the other side the Liberals paid for pensions and interest $207,000,000 more than the Conservatives did, so that one almost balances the other.

Mr. GUTHRIE: The statement which I made, and which is in Hansard, was that this revenue did not take account of war demobilization and railway expenditures.

Mr. RALSTON: I am pointing out that the amount of money which my hon. friends collected was not sufficient to balance current outgoings and they had to go into debt to the tune of $149,000,000.

Mr. BENNETT: That is not so.

Mr. RALSTON: We collected $259,000,000 more but we were able to pay off $190.000,000 of their debt.

Mr. STEVENS: Where does my hon. friend find that in the public accounts?

Mr. RALSTON: My hon. friend will have an opportunity to reply. I have waited quite a while for my forty minutes.

Mr. STEVENS: The statement is not correct.

Mr. BENNETT: The statement is not correct. Mr. Fielding's budget is clear.

Mr. RALSTON: I am speaking of the statement by the hon. member for South Wellington (Mr. Guthrie). Let us consider another admission which my hon. friend made. He spoke at some length of the increase in imports of agricultural implements, and he rather indicated that this was injuring the agricultural implement industry in this country. I think it would have been fair if he had compared the import of agricultural implements with the actual increase in production of agricultural implements in this country. Let me give the figures for two years.

Year	Production
1923..	$26,026,419
1927..	42,996,288

An increase of practically 50 per cent in those four years, notwithstanding the decrease in duty of which my hon. friend complained. Something else happened. Nobody apparently was hurt very much by the decrease in duty and by the additional importation of agricultural implements.

Mr. MANION: Except the people of Canada who did not get the work.

Mr. RALSTON: There can be only two reasons for the importation of agricultural implements. One is that the farming community must have been able to secure them cheaper, or else the Canadian industry must have been so rushed with orders that it did not have an opportunity to manufacture them to supply the demand. We must also remember at the same time that during those four years, or, in fact, during two years, Massey-Harris stock, which in March, 1926, was worth fifty, in March, 1927, had risen to one hundred and fourteen. It was split four to one in April, 1927, and to-day it is at eighty-four. In other words, the old stock that was worth $50 is now worth $336, which is an indication that the agricultural implement industry is not suffering.

Mr. McGIBBON: The money was not made in Canada.

Mr. RALSTON: I will give my hon. friend an opportunity. Let me point this out. My hon. friends have talked a good deal and the hon. member for Fort William (Mr. Manion) was particularly strong in talking about red-blooded Canadianism, and the fact that by a stroke of the pen—

Mr. MANION: I did not use that term at all.

Mr. RALSTON: Well, two or three other hon. gentlemen did. The hon. member for South Wellington said half a dozen strokes of the pen would stop these importations—

Mr. MANION: I used the term "red-blooded" but not "a stroke of the pen."

Mr. RALSTON: He said last year that red-blooded Canadianism would wipe out those imports. My hon. friend was a member of a government years ago.

Mr. MANION: Not for long.

Mr. RALSTON: No. I have taken occasion to look up the record of what was imported from the United States in those years and after all this red-blooded Canadianism did not seem to have asserted itself very

much. I find that the figures with regard to our trade with the United States are as follows:

Fiscal Year	Adverse trade balance
1912-13	$285,000,000
1913-14	219,000,000

This was money going over to the United States in excess of what was coming back into Canada. I have jumped over the war years because I think that is fair.

1919-20	$299,000,000
1920-21	295,000,000
1921-22	211,000,000
1927-28	222,000,000

It stood at between $200,000,000 and $300,000,000 against us very year my hon. friends were in power since 1911, except in the war years, and yet that red-blooded Canadianism did not assert itself. That old clock in the Victory tower which the hon. member for Skeena (Mr. Brady) described, was not going, but another one was, and those dollars were going over the United States border. Nevertheless the old pen was allowed to rust on the desk, and the old ink-well was empty. There was no stroke of the pen at any time. I think my hon. friends ought to begin at home. Of course this red-blooded Canadianism exerts itself now that my hon. friends are in opposition. I am reminded of two boys at school who were about to engage in an altercation. The teacher got one of them firmly by the back of the neck, and then the boy got very courageous and shouted: "Let me at him!" Now that my hon. friends are restrained by the fact that they are in opposition, now that they have no responsibility, they are very red-blooded when they are over there, but it is a different story when they get on the treasury benches. As a matter of fact, money is constantly going over to the United States, just as it always has been. I want to remind my hon. friends that we have had in this country during the last year or two some reasons even for increases in imports from the United States. We are using in this country a good deal of machinery which is not made here, and if my hon. friends had attended before the tariff board, they would have heard Canadian manufacturers themselves admitting that much of this machinery could not be made here. Industry in this country is constantly expanding, and we are needing this machinery. Machinery and facilities are needed for the development of our resources all over the Dominion, and it is as a result of that that there has been some increase in imports from the United States. But I do think that industry in this country has obtained full value for what it has imported, and that workmen in Canada are fairly well employed, notwithstanding what my hon. friends opposite have said with regard to conditions in the large centres. I am going to deal in a moment with the figures given by my hon. friend the acting leader of the opposition in regard to unemployment, but I suggest that my hon. friends opposite begin housecleaning at home rather than use all their red-blooded Canadianism only when they are sitting on the other side of the house.

Mr. MANION: The house needs it more when you are over there.

Mr. RALSTON: My hon. friend—I do not mean this personally—supplies it at least so far as putting it on record is concerned, but I do not think he has done much over on this side.

Mr. MANION: I was not there long enough.

Mr. MOTHERWELL: All the white corpuscles are over there.

Mr. RALSTON: Now my hon. friend from South Wellington selected certain figures with regard to unemployment, and he indicated that unemployment was greater now. He said that he had the employment index figures and would give them. He turned them up and gave something which I think rather astounded the house. I do not think very many people realized that there was such a figure in existence. What did he give? He gave the figures of unemployment for December 1922 as 6.4 and for December 1928 as 6.6. If he had looked at the title at the top of the table—I have no doubt that he had in his hands the Labour Gazette of February 1929, the very same book I have in my hands now—he would have seen that he was quoting from the "Percentage of Unemployment as Reported by Trades Unions", and if he had read, as he should have done, the article in which this table is inserted, he would have found that this was a report from 1,695 labour organizations with 190,000 odd members. That was not a large percentage of the number of people who are employed in the Dominion of Canada. If my hon. friend wanted to use the unemployment figures, I submit that he should not have picked out the month of December, because that is not a very good month for anybody; it is not a very good month to select if the purpose is to indicate what the normal conditions are. He should at least have taken the average for the year. If he had done that, he would have found that the average unemploy-

ment figure in 1922 was 7, and in 1928, 4.5. But he could have done better than that if he had turned back a few pages in the book from which he was quoting. Then he would have found, not the unemployment figures for 1,695 labour organizations with 190,000 odd members, but the employment figures as reported by firms in Canada employing over 15 men, whether in trades unions or not, and running up to about 910,000 employees. That is the figure he would have found just a few pages back, but apparently he missed that. I am going to give the figures that appear on page 206 of that same record; they show that the employment figure in Canada in 1922 was 78.8 and in 1928, 116.6. Those are the figures which are given in the book which my hon. friend had in his hands. I wish to point out also that employment in the last six months of 1928 was at the highest point it has ever reached since these statistics have been kept.

Let me add, for the benefit of my friends from the maritime provinces, that employment in the maritime provinces for the last six months of 1928 reached the highest point it has ever reached since the record began and particularly as regards winter employment. The figures show this comparison. In November, 1927, the employment figure was 100.1, and in November, 1928, the figure was 109.5; in December 1927 it was 99.1, and in December 1928, 108.1; in January 1928, it was 97.1, and in January, 1929, 103.3. I have another figure even more recent, showing that in February, 1928, the employment figure was 97, and in February 1929, 104.6.

Mr. PRICE: Where did my hon. friend get those figures regarding the maritime provinces, did he get them from the employment bureau?

Mr. RALSTON: I get them from page 206 of the Labour Gazette of February, 1929, from the returns made to the labour department by firms employing 15 men or over.

I should have liked to speak of conditions in the maritime provinces generally, with regard to agriculture, with regard to the great fishing industry which is developing there by leaps and bounds, with regard to the manufacturing industry, and with regard to lumbering. But my good friends from Pictou (Mr. Cantley) and Cumberland (Mr. Smith) have succeeded in making me feel that it is perhaps desirable, both for their information and the information of the house and of the maritime provinces, that I mention one or two matters in connection with the steel and coal industry, because that seemed to be what particularly concerned them. They have talked in this house for a number of sessions about what is known as the Duncan report, and they are down at the present time to one single point. I say that advisedly, because I listened carefully to my hon. friend from Cumberland to hear just exactly what his objections were. He spoke of having the Duncan report implemented in toto—that was the word he used, I listened carefully to hear in what particular respect he considered the report had not been implemented, and that one thing was with regard to steel and coal. My hon. friend from Pictou was discussing exactly the same thing. I just want to remind the house of what the exact situation is with regard to steel and coal, so that at least the facts may be put on record. There was a bonus recommended by the Andrew Rae Duncan commission, the exact terms of which recommendation were:

> We recommend that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture.

They recommended a bonus in respect of steel, calculated on the amount of coal which goes into its manufacture. My hon. friend says that that recommendation has not yet been carried out by the government, and that is the burden of his complaint. I have already pointed out to my hon. friend, and it has been emphasized on many occasions in this house, that the steel and coal industry are absolutely interwoven. I believe that no one will agree more readily than my hon. friend from Pictou that the interests of steel and coal in the maritime provinces, and particularly in Nova Scotia, are almost inseparable and are inextricably bound up. If, for instance, assistance is given to coal, then instantly that is reflected in the price which steel has to pay for coal, and that immediately is reflected in the question whether or not there can be successful operation of the steel plant, and whether steel at this new cost can be sold at a profit. On the other hand, if you have assistance given to the steel industry, since it is located directly above the coal mines, you have immediately the question whether steel may not contribute something of that assistance towards coal, whether there will not be an increased production of steel leading to a larger consumption of coal, thereby reducing the overhead. So these two great industries are bound up, and I believe that every man in Nova Scotia and the maritime provinces generally will agree with me in that.

At the present time the coal industry in Nova Scotia is operated by a company under the control of those who own the bonds, and

the steel industry is in the hands of and being operated by a receiver. Last session I pointed out the necessity and the desirability of unifying these industries and of reorganizing them so that anyone who proposed that they be assisted might be able to show what earnings were necessary to make a fair return on the capitalization. There are still fourteen large companies to be dealt with. I understand that a new company has been incorporated, but that the reorganization has not yet taken place. Regarding any proposal for assistance I do feel, and I think my hon. friend will agree with me in this, that those who are vitally interested financially ought to be the best judges of how to proceed. They have to have experience of actual operating conditions in order to determine their cost of production, their markets and their competition. Now on the question of delay, it may surprise the house to know that the final coal brief, the brief on which the application is proceeding at the present time, was filed with the Tariff Advisory Board only on November 21, 1928—not two years ago as my hon. friend suggested. My hon. friend knows—I think he was present at the hearing—that that brief puts forward a request, not to the government but to the Tariff Advisory Board, that the bonus which is recommended by the Duncan report should be granted to coal. On the other hand, a brief was filed by the receiver in respect of the steel company, and almost its very first words are a reference to this same thing, namely, the bonus recommended by the Duncan report. It does not ask for a bonus for steel in so many words, but the reference is there, and it was indicated to the tariff board that the steel people considered they should be paid that bonus. This means that the coal people are asking that this relief be afforded them as part of tariff relief, and it means also that the steel people are standing off and saying: We are going to have it in any case, and we are going to have further relief by the amendment of several items in the tariff. It is also important to note that the final steel brief was not filed until November 23, 1928.

The coal hearing went on for three or four days after November and was adjourned until January, 1929, when further hearings took place. There is no question of delay on the part of the government or the Tariff Advisory Board. The solicitor for the receiver said himself on November 27, 1928:

> The brief does raise some new points, but unfortunately, with all the effort we put on it, we could not bring it before the board earlier than we did. We fully appreciate the position you take, and the time and care involved in any investigation relating to an industry such as this, and of course I should think it wise that that full investigation be assured.

That is the situation with regard to those two industries. Yet my hon. friend has been complaining that nothing has been done, notwithstanding the fact that those who are in the industry admit that you must have the fullest investigation, and notwithstanding the fact that the mattter of a bounty on coal or a bounty on steel is wrapped up in the tariff, because the foundation of the claim for the bonus is that there has been a rebate of duty granted in connection with coal coming in for steel-making purposes.

Now this question of tariffs on coal and steel is not by any means a simple one. What happened before the Tariff Advisory Board on the application of the steel company for an increased duty on billets? It was opposed by no less than three big companies. The application for an increased duty on skelp was opposed by three big companies. The application for an increased duty on sheets was opposed by thirteen separate companies. The application for an increased duty on bars and rods was opposed by eleven companies. The coal application was opposed as well, as my hon. friend knows. Some hon. gentlemen in this house are connected with those opposing companies. For instance, I understand that the firm of my hon. friend from Lincoln (Mr. Chaplin) was opposing, as they had of course a right to do, the relief which the Nova Scotia industries were trying to get. My good friend from West Hamilton (Mr. Bell) was present in his professional capacity, and what do you spppose he was doing? I would have expected my hon. friend from Pictou (Mr. Cantley) to take him in hand. My hon. friend from West Hamilton was actually propounding the heresy that there be free pig iron. To add insult to injury, the province of British Columbia was represented officially in opposition to any increase of duty on coal.

Mr. PRICE: May I ask the Minister of National Defence what the Prime Minister of Canada said at Amherst during the campaign of 1926? Free trade or protection.

Some hon. MEMBERS: Order.

Mr. PRICE: He said protection. The records will show it.

Some hon. MEMBERS: Order.

Mr. RALSTON: It rather indicates that the application is not just as simple as my hon. friends would think. As a matter of

fact, it aroused considerable opposition. It is of prime importance to the Dominion to have the steel and coal schedule so settled that the industry may work under stable conditions. I believe my hon. friend will agree with me that it was physically impossible to make a new steel schedule in time for this budget when the adjournment of the hearing took place on January 29. I may say that the board employed two experts, Mr. D. H. MacDougall and Mr. J. Dix Fraser, men who were not unsympathetic by any means to the Nova Scotia steel and coal industry, and I am informed that they both concurred in the view that it was physically impossible to deal with the schedule in time for the budget this session.

This is a summary of the position: The question was brought before the tariff board, and rightly so; it was brought there by the company itself; and it is equally sound policy, in the national interest to have it considered there; the briefs on which the applications are actually being based were not filed until November 21 and November 23, and the hearings were not completed at the adjournment on January 29 of this year; coal and steel are inextricably involved and wrapped up, and any tariff relief by way of bonus to one has to be considered in connection with the other.

I am glad to say that the year's operations have been better than those in previous years. I am glad to have it reported to me that sixty thousand tons more of coal were mined during the three months of December, January and February than during the corresponding months last year, and that there were nine days' more work last January and February than a year ago. I am glad also to have it reported to me that the steel output has increased by some 18 per cent. It is also very satisfactory to know that the extensive branch line mileage this year will create an extra demand for steel. But I do not wish the house to think for one minute that either I or the people of Nova Scotia are satisfied with the position of the coal and steel industry. The prices for coal and the prices for steel are low, particularly for certain products of the steel industry. But I believe we should congratulate both the men and the management on the way in which they have conducted the industry during the past year. I am satisfied that every fair-minded man will realize that all the ramifications and complications incident to a revision of the steel and coal tariff make it imperative that there should be the fullest investigation, as counsel for the receiver himself suggested, in order that the government may intelligently study the representations which have been made to the tariff board.

My friend has spoken of the steel industry as if he and his party were the only people to whom it could look for assistance. The other night he spoke of Russian coal. I think he might have been a little more frank with the house. He did not say that that coal was anthracite coal. Nor did he state that anthracite coal is not subject to duty.

Mr. CANTLEY: I did.

Mr. RALSTON: I beg my hon. friend's pardon; I accept his word. Then he did not tell us that it was his party that took the duty off anthracite coal in 1887.

Mr. STEVENS: 1887?

Mr. RALSTON: Consequently there is no duty on anthracite coal, and that is why it is coming in. He spoke of Russion coal displacing Canadian coal; but as a matter of fact it is displacing American anthracite. That is the policy of his party to let in anthracite free. They are also the ones who took the duty off coke for all purposes so as to permit the Americans to convert their bituminous coal into coke and bring it in here free of duty. They had the chance to renew the bonus on steel, but they did not renew it. It is just another case of doing very little when in power and a good deal of talking when out of power. They had a chance to help the industry in connection with the rebate of duty on coal used in the smelting of metals. A rebate had been granted in connection with coal used for this purpose, and in 1914 under my hon. friend's administration the word "melting" was added so that all foundries would get their coal free of duty. I do not think my hon. friends ought to claim to be entirely the friends of the coal industry in view of their record. They gave a rebate on rods used for fencing. It was good for the agricultural industry but it did not benefit the steel industry. And what do we find on the other side of the slate? On the other side we find the steel policy of this country as laid down by Mr. Fielding in 1897 whereby a bonus was granted on steel when Canadian coal was used in its production, and that gave the steel industry in the maritime provinces its first real opportunity to make headway. But my hon. friends never renewed the bonus. We find also that the Liberal party granted a substantial duty on slack coal. It was only 14 cents at first but the Liberal party increased it to 50 cents. Again, we find the Liberal party taking coal for bunker purposes from the free list and making it liable to a duty with the result that the maritime in-

dustry benefited to the extent of 50,000 tons last year. There have also been freight subventions. I wish I had time to give the house an idea of what has developed as a result of the granting of these subventions in the last year. Contracts were closed for waterborne coal amounting to 175,000 tons, which were moved in addition to all rail movements amounting to 50,000 tons, and there will be moved this spring another 25,000 tons. In other words, 250,000 tons have been moved under that subvention. It may be said that some of that business would have been done in any case. It is estimated that 40,000 tons would have been carried anyway, and the estimate remains that 210,000 additional tons of maritime coal have been used by reason of the subvention granted by this government. Now I would ask my hon. friends opposite to point to anything their party has done which has increased the production of Nova Scotia coal 210,000 tons in one year.

I wished to say a word generally with regard to the report to which my hon. friend has referred, but I have not much time left. As I say, he has dealt only with one particular question, steel and coal. I have not an opportunity to point out all that has been done, but I wish the house and the people of Nova Scotia to realize that this government has tried to deal fairly with that report. Harbour commissions have been appointed and money has been loaned to them; a deputy minister of fisheries has been appointed, as recommended; freight rates subventions have been granted, such as I have described; and $875,000 by way of interim payment has been paid out yearly in addition to the regular provincial subsidy. There has been at the same time a 20 per cent reduction in local and westbound freight rates. Now I want the house to understand this, that neither I nor any other man from the maritime provinces regard this as a dole, but as a right to which the maritime provinces were entitled; and my only complaint is that this was made necessary by the fact that when my hon. friends were in power, from 1911 to 1921, they were asleep at the switch so far as the maritime provinces were concerned, permitting an increase in freight rates three times on the Intercolonial railway before there was any corresponding increase on other lines. This government had therefore to come to the rescue, and that is why I say that what has been given is not a dole. The sum of over $7,000,000 has been paid out or will have been paid out this year on account of the 20 per cent reduction in freight rates. And there has been, in spite of that—

Mr. DEPUTY SPEAKER: Time.

Mr. W. G. ERNST (Queens-Lunenburg): I have known the Minister of National Defence (Mr. Ralston) as a soldier, and I have known him as an advocate, and as I listened to him this afternoon I came to the conclusion that he had lost none of his courage as the one and none of his skill as the other, in presenting a hopless case; and I could not help wishing that he were better informed on the subject he has presented to-day than he was only a short year ago when he attempted to dabble in the fishing industry in Nova Scotia. I recollect that in the summer of 1927 there were operating off the coast of that province two trawlers of Spanish origin. They desired to go into a Nova Scotia port and transship their fish to Spain and they sought by different avenues to obtain permission. The result would, of course, have been a much greater productivity on the part of those trawlers. Well, after trying different avenues they applied to the Minister of National Defence, who took up their cause, which he pleaded with the Commissioner of Customs, requesting that the Spanish trawlers be allowed to enter a Nova Scotia port and land their catch for shipment to Spain.

Mr. RALSTON: What are the names?

Mr. ERNST: In a moment I will read my hon. friend's telegram.

Mr. RALSTON: Yes, do.

Mr. ERNST: On behalf of an apparent friend of his in Halifax he asked that the trawlers be allowed to go into Halifax in order to transship their catch, and in his telegram he suggested that such a course would have no prejudicial effect on the fisheries of the Dominion. I was aware that we shipped from Nova Scotia, or had shipped in times past, salt codfish to Spain, Portugal and Italy, and I therefore took the trouble to turn up the records from which I find that in 1927 we shipped to Spain fish to the value of $4,357; to Portugal, $90,702, and to Italy, $855,038. I ask the minister now whether the adoption of such a policy as he advocated in his telegram would not in his opinion prejudice the industry. Let me read the telegram. It is dated Yarmouth, N.S., July 8, 1927:

R. W. Breadner,
Commissioner of Customs,
Ottawa, Ont.

James Fraser Halifax representing parties who operate two trawlers under Spanish flag advises me that operators wish to send trawlers to Halifax to transship green fish one to the other the loaded trawler returning to Spain or tranship to French vessel for Spain. They tell me that there is some regulation under which they may be liable to pay one cent per pound. Think there must be some way out of this. It

is represented that it does not in any way prejudicially affect fishing industry and is serious loss to port. Would appreciate your personal attention.

J. L. Ralston.

Now, seeing that we market dry codfish in Spain, I ask the Minister of National Defence whether the first effect of such a policy as he urged in that telegram would not be to cause us to lose that market, and whether, secondly, if we lost the Spanish market we should not also in due course lose the market in Portugal, which is adjacent? Furthermore, Newfoundland, which ships large quantities to Spain, must be affected likewise. And we have to lose, too, eventually, the Italian market in order that the Minister of National Defence might gratify the desire of a friend in Halifax—and apparently without his having inquired into the industry. Such a policy, I say, would represent the sacrifice of $1,000,000 worth of business to the Dominion fishing industry.

Mr. RALSTON: What was the export to Spain?

Mr. ERNST: The figure is $4,357. And, as hon. gentlemen know, Portgual is adjacent to Spain. The market in Portugal represents $90,702 and that in Italy $855,038. But what I am pointing out is the principle of allowing trawlers of foreign origin to come and use our ports as a basis of operations. Once you start that sort of thing with one nation you will have to extend the privilege to others.

Mr. CHAPLIN: It is against our law too.

Mr. ERNST: Yes, certainly. Let me direct the attention of the house again to the wording of the telegram:

They tell me that there is some regulation under which they may be liable to pay one cent per pound. Think there must be some way out of this.

It seems to me this afternoon the minister was exhibiting the same attitude towards the fulfilment of the provisions of the Duncan report; he thinks there must be some way out of it. In the case of fish, the duty was imposed by his government; his government were responsible for the collection of the duty but he, as a responsible minister of the crown, thought there must be some way out.

Mr. RALSTON: Will my hon. friend just follow that through? I have not the faintest recollection of it.

Mr. ERNST: I will hand the file to the minister just as soon as I have finished with it.

[Mr. Ernst.]

Mr. RALSTON: I thought my hon. friend would follow it through and see what was done.

Mr. ERNST: Mr. Breadner stood by his guns and the minister was refused.

Mr. RALSTON: Does my hon. friend know who James Fraser was?

Mr. ERNST: No, I do not; I presume the minister knows, but I do not think it makes the slightest bit of difference who he was. The point is that the minister was trying to find a way out of the regulations imposed by his own government.

Mr. RALSTON: My hon. friend intimated that it was for a friend of mine.

Mr. ERNST: I said apparently it was a friend of the minister's, but my hon. friend will have time in due course to make his explanation.

Mr. RALSTON: That is the point; I will not have time.

Mr. ERNST: I feel quite sure that the fishermen of Nova Scotia will require quite an explanation from the Minister of National Defence.

When the minister was dealing with the recommendations of the Duncan report he referred to the bounty of 50 cents a ton on coal used in the manufacture of steel, and I could not help wondering at his attitude. In 1927 he made a speech in this house during which he gave the house to understand that he was in favour of complete implementation of the report; during the session of 1928 he made another speech on the subject and at that time proposed three conditions which should be met before the report could be implemented. One condition was that the litigation in which the industry was involved should cease; the second was a reorganization and the third a recapitalization. To-day only the litigation has been settled, but I ask the Minister of National Defence whether it is not a fact that when the Duncan commission made its report the conditions with regard to organization and capitalization were exactly the same as they are to-day? So that Sir Andrew Rae Duncan had an opportunity to take all these facts into consideration. The capitalization was exactly as it is to-day; the organization was exactly as it is to-day, and in the face of those conditions the Duncan commission recommended this bounty.

Mr. RALSTON: To whom?

Mr. ERNST: To the government, for implementation.

Mr. RALSTON: To whom was the bounty to be paid?

Mr. ERNST: To the steel industry in the province of Nova Scotia. But my hon. friend is quibbling—

Mr. BENNETT: "I think there must be some way out of it."

Mr. ERNST: The point is that the recommendation is there, but each year the minister brings up more conditions, and it seems to me that the only condition whereby we will have the report fulfilled will be to put the minister and the government out of office.

Now, sir, I desire to go back for a few moments to the fishing industry. Last year the minister made quite a lengthy speech in this connection during which he told of all the things the government were doing for the industry and the great progress which was being made. The latest statistics available with regard to employment in the fishing industry in the province of Nova Scotia are for 1927, and I want to compare them with the figures for 1914, which is the last of the normal pre-war years. In 1914 there were 5,832 men engaged in the fishing industry in Prince Edward Island; in 1927 there were 4,136, a decrease of 1,696; in 1914 there were 29,364 men in Nova Scotia engaged in this industry; in 1927 there were 19,749, a decrease of 9,617; in New Brunswick there were 22,034 men engaged in fishing in 1914 and 12,344 in 1927, a decrease of 9,690. In other words, between 1914 and 1927 the fishing industry in the three maritime provinces lost over 21,000 men, and since this government came into office in 1922, "this government which fosters and assists the basic industries," Nova Scotia has lost 4,230 men. These men have gone to the United States, almost without exception; if you go to Gloucester you will find that a very high percentage of the captains sailing ships operating out of that port come from the southern shore of Nova Scotia. That is the condition of the fishing industry.

Mr. ILSLEY: Is not that due somewhat to the Fordney tariff of 1922?

Mr. ERNST: Undoubtedly it is partly due to that, but it seems to me that if the government would only take a lesson from their failure to meet the Fordney tariff in 1922, we will not get into any difficulties in that respect during the coming year.

Now, what have the government done for this industry? In 1927 they appointed a royal commission to inquire into the condition of the fishing industry; that commission cost the country something over $85,000 and brought in a report which was tabled late last session, too late to come before parliament. Since that report was tabled, however, the government have taken some steps to assist the industry. I have seen great, flaming articles telling of what the government have done. One such article appeared in a magazine called the Canadian Fisherman, telling how the government had reorganized the Department of Marine and Fisheries. In what does that reorganization consist? The government have appointed Mr. Found, who was director of fisheries, to be Deputy Minister of Fisheries; they have created a fisheries intelligence service and appointed as its head Mr Paisley, who was editor of a paper in the city of Sydney, a gentleman who knew nothing about fish but who wrote the most bitter, partisan Liberal articles to appear in any newspaper in Canada. Mr. Paisley was formerly editor of the Sydney Record and now has been made head of the fisheries intelligence service. The government also boast of the changes which have been made in the regulations in order to assist this industry, but those changes are so minor that they cannot be mentioned on the floor of the house.

Then we are told that the government have brought in two bills this session in the interests of the fishing industry, bills 25 and 26. One of these bills provides for the further inspection of fish and the other provides that the lobster seasons be made statutory. It also contains another provision with respect to steam trawlers, one of the most innocuous paragraphs ever to be put into any statute. This paragraph provides that steam trawlers cannot operate from our ports unless they are owned in Canada; broadly speaking, that is the provision. I say to the house that this paragraph is inserted for one purpose only; it is quite innocuous except for the fact that it is placed there to save the government from their own sins. On July 20, 1920, Mr. Edwards, the Assistant Deputy Minister of Justice, was asked to define what constituted a Canadian fishing vessel, since only Canadian fishing vessels can land their fish in the ports of this country free of duty. Trawlers did not actually operate until 1922, although during the war they were permitted by special order in council to operate in order to supply food. In July, 1920, Mr. Edwards gave his opinion as follows:

I am of the opinion on consideration, that the words in question—

That is, Canadian fishing vessels.

—should be construed to mean fishing vessels owned by British subjects . . . . domiciled in Canada.

If that opinion is sound—and the Minister of National Defence, as a lawyer, knows that it is sound—the government have been violating the law for the past seven years in allowing these trawlers to land their fish duty free, and now they bring in a bill which they wave before the fishermen as being of great assistance to them, but which is of no assistance to anyone but the government themselves.

I suppose they also point to the tariff provisions in the present budget; those provisions, so far as they affect the fishermen, consist of four tariff items. The first item refers to rubber gaskets; the Minister of Finance, when he presented his budget with a great flourish, announced that aid was being given to the fishermen through a reduction of the duty on rubber gaskets. So far as I can find out rubber gaskets are used for only one purpose, for sealing sardine tins, and this reduction will aid only one corporation in the province of New Brunswick.

Mr. HANSON: Friends of the government.

Mr. ERNST: The next item is metal swivels; these are used by a very limited class of fishermen, and I doubt if more than 100 fishermen in the three maritime provinces use them at all. The next item is needles of a class or kind not made in Canada for use in repairing fish nets, and I think that provision might save a man one-tenth of one cent per year. The next item covers gasoline engines and their parts. Over 85 per cent of the gasoline engines used in the fishing industry of the three maritime provinces have been manufactured in those provinces. This means a direct blow by the government at the gasoline-engine factories; a direct blow by the government at an industry in the maritimes. To sum it all up, it amounts only to a benefit of two cents per man engaged in the fishing industry.

The minister referred last year to the biological station and told us of the wonderful work which was being done in developing the process of brine freezing, which was to revolutionize the fishing industry. This brine-freezing process, which is practised in a commercial way in the United States and I believe in Great Britain, is capable of doing much for the industry, but I ask the government: How does it propose to see that this benefit is passed on to the ordinary fishermen who are scattered along the thousands of miles of our coast? As it stands at present it will be gobbled up by the corporations and the fishermen will not even get a smell of it. What is needed is a system whereby practical fishery officers would be placed in each fishing district, similar to the system practised by the provincial governments who place agricultural representatives in each agricultural district. Under such a system the practical fisherman along the coast would be helped by the work of the biological station, and until that system is adopted I can only construe the results obtained by the biological station as being intended for the benefit of the corporations, nearly all of which are favourable to the government.

There was a majority and minority recommendation in the report of the commissioners with reference to the trawler question. The majority recommendation was that the steam trawlers should be abolished; the minority recommendation was that they should be regulated. What is the attitude of the government in relation to the trawler question? Both the corporations and the fishermen have a right to know what is in store for them; they have a right to know whether they can count upon a condition of stability. This is a matter of vital importance to the fishing industry in the three maritime provinces and I ask the Minister of National Defence (Mr. Ralston), who represents the province of Nova Scotia, what is to be the policy of the government with regard to steam trawlers? Is he, as indicated in his telegram, seeking to find some way out of this difficulty?

The recommendation was also made that a minister of fisheries be appointed. The Prime Minister (Mr. Mackenzie King) announced to the house in his own pleasant manner that the government would appoint a minister in its own good time; that it would settle upon a policy but only in its own good time. It seems to me that the policy of this government is to do things in its own good time rather than in time for the good of the country. Immediate attention is vital to this industry and it is not fair to the fishing industry of the three maritime provinces that they should be asked to wait until the political squabbles in the ranks of the government are settled. The government has men who are capable of filling this office, men who are practical fishermen. The pronouncement upon fisheries which was made last year by the Minister of National Defence it would seem to me might better have come from the lips of some practical man who understood the industry.

I have dealt with the recommendations of the report, but there are two suggestions I

wish to make with relation to the industry itself. If the fishing industry is to survive in the maritime provinces we must organize the fishermen cooperatively. To-day the fisherman is buying and selling retail and the middleman is getting the profit both ways.

Mr. HEAPS: What do the fishermen actually get for their fish?

Mr. ERNST: I can not give the hon. member the exact price, but the average income of the shore fishermen is not more than $300 per year. They should be organized cooperatively in order to eliminate the middleman and get what is coming to them. They should be given an effective voice in dealing with the government and the corporations. In 1905 the government of Nova Scotia placed an act upon the statute books which made possible an organization in eastern Nova Scotia. That legislation was brought about through the indefatigable work of Mr. Moses H. Nickerson, who has always been a great friend of the fishermen. In 1927 that act had become obsolete and it was then amended and consolidated. During the early part of last year the minister told me that this was a matter of provincial concern. I would point out to the minister that the fisheries report, which had not been tabled at that time, recommends, on page 81, that an organizer be appointed by the federal government. The recommendation reads as follows:

> We recommend, therefore, that the establishment of cooperative organizations of fishermen be assisted by the department as soon as possible, and that an organizer, experienced in coperative methods, be appointed and paid by the federal government for the required period to initiate and complete this work.

The fishermen of the province of Nova Scotia are looking to the government to implement that definite recommendation. As a corollary to that recommendation, it is necessary that some system of loans to the fishermen be devised. I am not going to make any definite suggestion or go into the details except to say that the earning power of the fisherman is so small that he can not improve his equipment. He has no capital and if he is to survive he must have improved equipment, and the only manner in which he can procure that is by aid from the government. I ask the government to take this matter into consideration and give us some action, not next year on the eve of an election but immediately, before thousands of our fishermen have gone to the United States.

I do not intend to discuss further the technical details of the fishing industry in the maritime provinces. There are many matters upon which I could speak did time permit, I wish in the few minutes remaining at my disposal to compliment the hon. member for South Wellington (Mr. Guthrie) on the very able speech which he made, a speech which has the hearty endorsation of myself and I know of every member sitting on this side of the house. It is a speech with which I heartily agree, and the only thing in it to which I wish to refer particularly is his reference to the inroads being made upon our dairy industry by the importation of New Zealand butter. There are three creameries in my constituency and I know what the effect has been not only upon the creameries but upon the farmers supplying the cream to them.

I was surprised this afternoon to hear the Minister of National Defence commending the Liberal government for the raising of a duty, because year in and year out and especially at election time, he and other hon. gentlemen from Nova Scotia have advocated the principle of free trade. The Liberal organ in the province of Nova Scotia, the Halifax Chronicle, advocates it in and out of season. Furthermore, it says that the tariff is the cause of all our worries and ills in the province of Nova Scotia. It says that the tariff has ground us down under the heel of the province of Ontario; it does not say the central provinces because Quebec is a supporter of the government. It claims that our industries are disappearing and our shipping is dwindling away. It is sad to say that that is true with regard to our shipping, but the reason why our shipping is not as great in volume as it was in time past is because we failed to take advantage of the transition from wood to steel and from sail to steam. There is no doubt we have lost other industries; some of them have located in Quebec and some in Ontario. During the last election campaign the Chronicle had a big cartoon which depicted a cow feeding in the province of Nova Scotia and being milked in the province of Ontario, a sentiment which would not tend to promote Canadian unity.

What are the real facts? Let us examine the situation as it stands in Nova Scotia at the present time. I am prompted to do this because the hon. member for Hants-Kings (Mr. Ilsley) started his speech the other day by standing on a pinnacle and getting a broad view. After he had been there for a while he returned to his own doorstep and turned his face to the wall. We have in the eastern end of my province the coal and steel industries. We have scattered round our coast thousands of fishermen who supply what?

They export to a certain extent, but the basis of their market is the home market, the Dominion of Canada. The great proportion of our farms are mixed farms; in fact, farmers engaged in mixed farming are more numerous than any other class of the population. They are raising their products for sale largely in the markets of Nova Scotia. We have scattered all over the province little manufacturing industries, with a few large ones here and there, some of them, it is true, exporting to the whole Canadian market and even to the markets of the world, but in the main they supply the home market. I ask the Minister of National Defence: If that free trade which is preached by Liberal organizations in Nova Scotia came into force in our province, what would happen to the coal and steel industries? They would be snuffed out like a candle. What would happen to the other manufacturing industries? They would also be snuffed out like candles. What would happen to the farmers and the fishermen? Well, we would continue to export them. The cause of our ills is obviously not the tariff; the cause must be sought somewhere else, because if the tariff were taken away completely, Nova Scotia would not be one whit better off in relation to the other provinces. We have, as I have said, big deposits of coal in the eastern part of the province. Developments are being made to-day by scientists, designed to promote the use of that coal to generate electric energy, and I look forward to the day when we shall be generating electric energy not only as cheaply as it is produced by hydro, but cheaper. That day is rapidly approaching, and when it comes I believe the future of Nova Scotia will lie in industrialization, but we shall not get that if we continue to follow policies which are preached by hon. gentlemen opposite. We need the tariff just as much as any other province in Canada.

Our difficulty not being the tariff, what is it? Geography. We are situated on the extreme eastern edge of the continent, and naturally those who have products to sell in competition with the provinces in the centre have a more restricted home market than the man who is in the centre and has his market on both sides. What we need are methods to counterbalance geography, methods which the Duncan commission recommended in the form of a decrease in westbound freight rates. That alone is the solution of our difficulties within confederation. We require freight rates which will enable us to expand our markets to the west and put our people who produce in competition with those in the central provinces on a parity with them. We have to-day a 20 per cent reduction in westbound freight rates. Whether that will be enough, we do not know. It has been applied; the benefits are already being observed, but time alone can tell whether it will prove ample for the needs of the maritime provinces. If it does not, we shall be back here again asking that our people be placed on a parity with the people in the central provinces, not by reductions in tariff, but by freight rates, in order that the position created by geography may be counterbalanced and we shall be given an equal share in the prosperity of Canada.

I shall not detain the house longer, but it seems to me that no method is more unfair to the people of Nova Scotia than that adopted by the hon. member for Hants-Kings and other hon. gentlemen who stand on their doorsteps, and turn their faces to the wall, applying themselves to a particular locality or industry and forgetting the needs of the province as a whole. We have to start with a unit, and that unit must be the province. If we bear that in mind and also bear in mind that in approaching our problems we have to pool them with the other provinces if confederation is to last, then we shall be building for the future a structure that will stand.

Mr. D. F. KELLNER (Athabaska): Mr. Speaker, in rising to make a few remarks on the budget, I give it as my opinion that the budget as a financial document is possibly comparatively satisfactory; but I believe it is a mistaken idea for any nation to assume that the length of its railway lines, the wealth obtained from its mines and the strength and solidarity of its commercial institutions constitute any real gauge of its prosperity. We have to take into consideration the health, happiness and prosperity of the people. About fifty per cent of the people of Canada are engaged in agricultural occupations, and it is passing strange that, in this short discussion, little or nothing has been said about the prosperity or the lack of prosperity of the farmers of this country. The Minister of National Defence (Mr. Ralston) in his speech made reference to the better position of the farming industry and he suggested that in some way or another this was due to the activities of the government. I should like to point out to him that students have attributed that bettering of the condition of the farming industry to the commercial pools which the farmers themselves have organized. From practically every country throughout the world commendations have come to Canada pointing out the advantages that have accrued therefrom to the wheat growers in particular, and also to those engaged in

dairying. I have yet to see any such commendations in respect to any government activities, and later I shall mention instances of the lack of consideration which, I think, this government has shown to those industries.

When the minister was speaking a little while ago it seemed to me rather unusual to hear him twitting the Conservatives for actually lowering the tariff when they were in power and more or less asking for commendation from the people because the Liberals had increased the duty on coal from fourteen to fifty cents. The thought that occurred to me at that moment was that in a comparatively short time we shall likely have another Dominion election and in western Canada there will be one issue only, namely, the tariff. I wonder how many of those who in the last campaign supported this government in the prairie provinces will mention the statements made by the minister this afternoon. It would go pretty hard with some hon. members whom I see across the floor sitting for prairie constituencies, to go out and ask for support because the Liberals had increased the tariff on coal and because they had refused to reduce the tariff on some other commodities.

That agriculture generally is not in a satisfactory condition is, I think, pretty well exemplified by what we learn takes place in other countries. I read recently a debate that occurred in the British house in connection wit the depression of agriculture. The debate was introduced by the Conservatives and discussed at considerable length. Among other things, having pointed out the great depletion that had taken place in the agricultural industry, they brought in certain recommendations to the house. Chief among those was that agricultural land and buildings should be relieved of taxes; that there should be a marking of all agricultural products, so that the consumer would know whether he was purchasing a foreign or an English article; and the further suggestion that the forces of the crown should be supplied for at least two days a week with meat raised on the island. I would particularly call the attention of the house to the fact that it does not say meat raised within the British Empire, but raised in the island, which is considerably different from the agitation we sometimes hear for inter-empire trade. When that motion was under discussion one of the labour members moved in amendment, to leave out all the words following the word "house" and to add instead thereof the following:

> Realizes that the continuing decay in agriculture is a grave national concern and should be dealt with by the government without delay, and is of opinion that the placing of British agriculture on a sound and efficient basis so as to yield a fair return to the farmer, with security of tenure, subject to proper use and a satisfactory standard of living to the agricultural worker, depends upon the transference to the state of the ownership of all agricultural lands.

In other words, we have the Labour party in Great Britain coming out with the definite declaration that the only way in which agriculture can be maintained is by state ownership.

In the United States the situation is a little different. There two bills have passed the senate for the stabilization of agriculture by what is really the fixation of prices. Both bills were vetoed by the president, and now a special session is to be called to deal with agricultural problems.

One might go on and give similar illustrations of what is taking place in other countries, in France, Italy, and Germany, in particular, where they are using every method they can to bolster up agriculture. In this country, however, our government has never been very much concerned about agriculture. Our one and only method of dealing with the problems of agriculture, apparently, is to bring in more immigrants, who will settle all the troubles that we ever shall have. There was one other thing done in this country, which, however, did not do the agricultural industry in this country any good, and that was the adoption of the Australian treaty. Some other speakers have already referred to that, and I wish to say a word or two about it.

In western Canada we have always been known as predominantly Liberal, and a good many of the representatives who have been sent from the west to parliament have come down here as supporters of the Liberal party. During the last few years they have not been quite as docile as some of the other supporters of the government, and they have insisted that the government live up to its pre-election pledges and reduce the tariff. So persistent have they been that I think the Australian treaty is the answer to their demands. The government said: We will reduce the tariff, but it will be a reduction on a commodity that affects the western farmer, and we will see if we cannot choke him off in that way. Butter coming in from Australia previous to the Australian treaty carried a duty of 4 cents. The butter produced by our western farmers was largely traded for such commodities as the farm family requires, and with the returns from their butter they would provide themselves with shoes for the children and furniture for the house. It is

worth while considering that on these shoes which they bought with the returns from their butter they had to pay a duty of about 22½ per cent, and on the furniture a duty of about 35 per cent. The odds were against the farmer before we ever had the treaty, but after the treaty they were infinitely worse. Something like 18,000,000 pounds of Australian butter comes into western Canada every year; that was the figure for 1928. I do not think anyone would seriously argue for one minute that that importation does not very seriously affect the farmers of western Canada. You could not flood the western Canadian market with that volume of butter without very seriously affecting the price. Had other countries been giving Canada an opportunity to flood their markets with butter, if we happened to have a large stock and they a small one, it would not have looked quite so bad, but there was no preferential tariff arrangement in that regard.

Australia at present has a tariff of 12 cents a pound on butter; New Zealand, 7 cents a pound or 20 per cent ad valorem, whichever is the greater; the Union of South Africa, 4 cents a pound or 25 per cent ad valorem, whichever is the greater; the United States, 12 cents a pound, and a duty of 5 cents a pound on cheese. In addition, Australia gives a bonus to her farmers of 6 cents a pound on every pound of butter exported, so, taking into consideration the Canadian duty of 1 cent a pound, the Australian farmer has still left 5 cents per pound of government money with which to help pay his freight charges on the butter he ships to Canada. It would seem that a government that wished to do justice to the farming population would hardly pass such legislation as the Australian treaty and leave the tariffs on other necessary commodities such as I have mentioned, shoes and furniture, for instance, just where they are. The effect upon the west of the importation of this Australian butter can be readily seen from the decreased production that has taken place in the prairie provinces. In 1927 there was a decreased production of butter in Manitoba of 1,250,000 pounds, as compared with the previous year; in Saskatchewan, a decrease of over 4,500,000 pounds; in Alberta, a decrease of 3,500,000 pounds. There are a good many farmers in Alberta who cannot afford to take a drop in their production to that extent. In the northern part of Alberta the land is covered with brush, and it is a slow process to bring it under cultivation. It is the practice there, until the land is brought under cultivation, to keep a herd of milch cows, which at least supplies the necessities of the family, but under present conditions the herd of milch cows is an additional liability, and through that district you will find farmer after farmer who a few years ago used to keep half a dozen milch cows but who to day has whittled down that number to one or two.

I omitted to mention that the United States government, as indicated by its decision to call a special session of congress, realizes that agriculture in that country is in a very critical condition, and no one would argue for a moment that agriculture in Canada could be very healthy when agriculture across the line is in such a deplorable condition.

I want to say just a word or two with regard to this immigration policy which we are so enthusiastic about, and which is supposed to save the agricultural areas of Canada. We are frequently told that Canadians are leaving the country. I have a clipping of a statement by Bishop Lloyd giving the figures for 1928 as 81,000 odd. According to his theory about the only thing we need do to settle the problem is to go over to Europe and get more immigrants. Frankly, that is the policy which we are following to-day:

In my poor way I am trying to show just where we shall get to if that process is continued. For instance, Canada is taxing herself to send a band of immigration agents to Europe to persuade people to come here. Then our transportation lines cut their rates and bring those people over. In the meantime government officials and others have selected the best land for those immigrants, erected buildings, put up fences and brought a certain portion under cultivation. All this having been done, the immigrants are put on these ready-made farms. The farmer already here is asked to pay taxes to bring in those immigrants to compete with himself. It is manifestly unfair to expect our agriculturists to withstand such competition, and contribute a portion of the expense as I have indicated.

And what is the position from the standpoint of our workers? For instance, suppose a Canadian gets out of work in the fall of the year, he goes to a city in search of employment, as several last fall went to Edmonton. We will assume that the Canadian Pacific Railway Company wants some employees. He goes to the railway company along with two or three immigrants and asks for a job. In the meantime the city has been feeding several hundred immigrants, but they turn them over to the Canadian Pacific Company when they find that the company had promised to provide these immigrants with work for a year. The city contended that the Canadian Pacific

should supply board while the immigrant was without work. The company acknowledged the obligation and supplied bread and bologna. When the Canadian citizen and the immigrants approached the Canadian Pacific officials for a job, it is certain that the company, being a good business institution, is not going to take any chance of spending money on bread and bologna, so we know who will be rejected. One of the immigrants will be taken on and the Canadian will have to walk the streets. In all probability he is a property-owner in one of our urban centres. Pretty soon the tax collector comes around and says: Here, your taxes are due. There being no probability of our Canadian getting a job, the only thing that is left for him to do is to turn over his property, pay his taxes, and get out. Unfortunately our answer to any protest from him is simply this: We can go over to England and the continent and bring in other immigrants to take your place. That is the answer Canada is giving to her sons to-day.

Closely associated with the assistance we are giving these immigrants to establish themselves is the policy followed by some of our commercial institutions. For instance, I have before me a letter from the International Harvester Company, headed General Letter No. 42. Let me give it to the house:

To our Dealers and Travellers:

3,000 British Family Settler Plan

In view of the fact that the above organization will purchase a sufficient number of cream separators to entitle them to the quantity discounts, it has been decided to amend our quotations and you are therefore authorized to make quotations as follows:

The 1927 one payment six months retail price less 10 per cent discount and less a quantity discount of..	$ 10 00
For instance, when quoting prices on a No. 3 Primrose, you would take.	120 00
Which is the one payment retail price.	
Deduct 10 per cent, which is..	12 00
	108 00
Less $10..	10 00
Making a retail price on this size machine..	$ 98 00

Please understand that these discounts apply to cream separators only and when sold to farmers operating under the 3,000 British settler plan.

This letter cancels General Letter No. 40 of March 31, 1927, and all letters prior to this date covering discounts on cream separators when sold on the above plan.

Yours truly,

International Harvester Company of Canada Ltd.

By F. W. Smith,
Assistant to Manager.

78594—66½

According to that letter, it seems to me that if you had a non-British family settler in any district, and a British family settler beside him, the one would have to pay $120 for a cream separator as against $98 charged the other. It is going pretty far to ask the established farmer to pay that extra money over the price quoted to the favoured immigrant. But I hope I have not led the house to believe that cream separators are the only things marketed in this way. I have another letter from the same company, General Letter No. 65. It contains somewhat similar preliminary comments, and then proceeds to quote prices. Let me read this portion of the letter:

Prices to Settlers: On general line (except wagons, gears, trucks and sleighs) the 1926 retail cash on delivery price less 7 per cent.

On wagons, gears, trucks and sleighs, the 1926 retail cash on delivery price, less 5 per cent.

Prices f.o.b. nearest local agent's shipping point.

The letter also contains the following:

Settlers entitled to special prices: British settlers brough out by the Dominion government under the three thousand family British settler plan, delivery to be authorized and cash settlements made by the land settlement board.

The land settlement board will have full charge of this three thousand family British settler plan, and delivery and settlement will be handled under the plan formerly governing the soldier settlers.

This is the concluding paragraph:

In view of the fact that these British settlers will not be familiar with our machines, the local agent must assume full responsibility to see that all machines are properly set up and maintained in running order, and that the purchaser is fully instructed in their operation.

An hon. MEMBER: What date is that?

Mr. KELLNER: June 26, 1926. The agreement is still in effect. Let me bring out this point in connection with the second letter. It is recognized that those immigrants are not very well acquainted with farm machinery. The result is the company instruct their agent to go out to the farms and set up the machine and show them how to operate it. But when the ordinary farmer buys a similar machine he is told to take it home and fix it up himself. He has to get along with it the best he can. It simply means that the Canadian farmer is paying for this extra service to the immigrant. If we were getting a higher type of farmer there might be some sense in such a policy, but everybody admits that the one we are bringing in cannot compete with the one we are losing, and will not come up to his standard for several years

And unless we do lose them we are apt to get into a worse position than we are in now, because beyond a doubt if we bring them in in large numbers the time will soon come when we shall have the problem of over-production to deal with. That is not entirely my own opinion, because there are a good many concerns who realize the danger of over-production. The United States government have time and again warned the farmers about seeding too large an acreage, and I notice that the Canadian Bank of Commerce in its letter No. 159, being the issue for February of this year, states:

> Agriculture will probably seek to adjust itself to market conditions, which, as far as the west is concerned, seem to require for the present a more gradual increase in wheat acreage than has taken place in recent years, a careful selection of seed, and a shift to mixed farming in certain districts.

I would submit that cutting down of acreage is good business advice, but the matter of mixed farming is somewhat different. That has been tried before, and I am sure the Minister of Agriculture (Mr. Motherwell) will recollect having told us on several occasions that one of the ways for the western farmer to make money was to ship his cattle to England. We sent a good many officials over there to arrange the removal of the embargo from Canadian cattle and eventually we succeeded, so that for a year or two we did a magnificent trade with England. But in the last year we have not sent one hoof across the ocean. Hundreds of thousands of dollars have been lost in the attempt to get the British market for the Canadian farmer's cattle and it cannot be done.

In regard to steps which the government might take to help the farmer, in my opinion there is possibly nothing of much more importance to northern Alberta than the export rate to the province of British Columbia on grain. Hon. members will remember that in 1925 we amended the Railway Act, adding a clause which we thought would set the same grain rate for grain going west as applied in the east. But since then the authorities have told us that we did not do that at all. However, the railway commission, the first time they investigated the question, took the view that this had been done and issued an order that the rates be brought into conformity with the eastern rates. At the present time that order is not being observed. The rate we are paying on export grain to-day from Edmonton or Calgary to the coast is 22½ cents per hundredweight; were we paying the same rate as that grain would take going east, we should pay 18 cents. But aside altogether from the export rate is the domestic rate of 41½ cents per hundredweight. Imagine a trainload of grain going from Edmonton or Calgary to the coast, one a car of wheat billed for the Orient or some other destination, and the other a car billed for some rancher in British Columbia. There can be absolutely no difference in cost in the handling of the two; yet one takes 22½ cents, which is a four cent steal, and the other 41½ cents. It simply amounts to this, that cattle could be fed more cheaply on Alberta grain in China, Japan or down through the United States than in Canada. I think it is certainly due the farmers of the west that the grain rate receive immediate attention.

I would remind the house that in 1926 we passed a rural credits measure making provision for financing the farmer. Every member in the house expected that by this time the farmers would have borrowed all the money the Dominion government have. Well, they have not yet borrowed one dollar, and what is more they possibly will not for some time. No effort in the world was made to put that legislation into operation until the present winter. Now I understand that there is a movement on foot to get the board started; but by the time the provincial governments have got under way it will certainly be well on into the summer, so that three years will have been lost. Many of the farmers who needed credit and could not obtain it have probably been closed out, and certainly, in any case, have suffered financial reverses by reason of the delay. In a great country such as Canada, with the farming oportunities that we have here, if we can afford to scour the world in order to induce people to come to Canada, giving money to look after them when they arrive, surely to goodness we should have enough money to look after our own people who are already established in the country.

Let me mention something else. We must not lose sight of the fact that there are well over 80,000 people leaving the country every year. Possibly not all of them are Canadians, some of them being immigrants who have been in the country only a short time. Nevertheless there is all too large a percentage of them comprising actual born Canadians and Canadians who have become citizens of the country by naturalization. Now they may have suffered from one of the causes I have indicated and have lost their holdings in the country; and probably some of them have had such an experience as I read about in the newspapers some time ago. A young fellow appeared on the streets of Edmonton asking for a meal. He was arrested and taken to the police court. There he was asked

where he had come from and he said, eastern Canada. They gave him twenty-four hours to get out of town, with an alternative of thirty days. On the same day there were some new immigrants in the police court on the same charge and they were sent over to the railway companies to be fed. In view of the fact that the positions in Canada are practically all going to the immigrants, and will go to them so long as there is an obligation on the commercial companies, seeing that we assume that the Canadian shall look out for himself while the immigrant is a ward of ours, I wonder why in the world the Canadian would stay. What inducement has he? The logical thing for him to do is to get out if he finds himself in these circumstances. What I started to say is this: One who has had these reverses and leaves the country, crossing the line or going to some other foreign land, must have unpleasant feelings. What must be the thought that rankles in his mind about Canada? Do you think there can be any love or affection or admiration for this land, so far as he is concerned, or will he not go away more or less with a spirit of hatred and possibly with his mind fully made up that if the time ever comes he would a good deal rather see something dreadful befall the country than see her go forward?

Hon. CHARLES MARCIL (Bonaventure): I have listened with considerable attention to the remarks of the hon. member for Athabaska (Mr. Kellner), who has given his views in regard to certain conditions existing in the west. I am sorry I am not as familiar with that part of the country as I should like to be in order to appreciate his statements. Some of those statements were most surprising to me, but they explain to some extent why no more energy is put into the movement to induce Canadians to go and settle in the west. In the province of Quebec for some years past a very strong opinion has prevailed that we should give to the Canadian who wishes to go west the same conditions as we provide for the immigrant. The committee on agriculture last year made, I understand, the suggestion that the railway rates should be reduced to what they were some years ago for those Canadians intending to go west. I heard no more about it, but I am glad to know that the Minister of Agriculture (Mr. Motherwell), who is a friend of the farmer, will bring this matter to the attention of his colleagues. In Quebec we are still of the opinion that when a Canadian leaves that province he should be given some inducement to go west rather than to the United States. In 1870, when Manitoba was created, the cry raised by Sir George Etienne Cartier, who introduced the bill to provide for the creation of that province, was "Go west, young man." At that time the idea was to stem the exodus from Quebec to the New England states and divert it to western Canada. Unfortunately the west was a long way off; railway communication was difficult and other troubles presented themselves in Manitoba which induced French Canadians to go to the United States. There is a large Canadian population in those states now; it has been placed at 2,000,000 people, and they are the chief operatives in the mills of those states. Latterly, however, there has been a feeling in our province that many of those people would be delighted to go west if they were afforded the same advantages which are offered the foreigner. We all know that the Canadian is the best settler we can have; the man who has been born and brought up in this country, descended from Canadian people for generations, is the best man we can have and every effort should be made to induce these people not only in Quebec but in the maritime provinces and Ontario as well to go west, to counter-balance whatever foreign immigration comes into the country. We all know that if trouble should arise and Canadians should be put to the test as to their loyalty, the sons of Quebec, Ontario and the maritimes will stand firm. For that reason I think the government would be well advised to give this matter some further consideration.

It has been said that Canada is a difficult country to govern. The day this house opened I happened to run across the hon. member for South Wellington (Mr. Guthrie), who delivered a very nice speech this year. He delivered another very good speech on February 11, 1901, a day memorable to me; the hon. member delivered his first speech in this house that day when he moved the address in reply to the speech from the throne, and I had the honour of following him and seconding the address. That was almost twenty-nine years ago; my hon. friend delivered a very eloquent eulogy of the Liberal party and it was all I could do to follow in his footsteps in the French language. That debate was made memorable through the fact that the member to speak immediately after me was Sir Robert Borden, then plain Mr. Robert Borden, who was making his debut as leader of the Conservative party. In those days the rules of the house allowed only one amendment to the budget speech, but during the last few years we have changed our rules and made the problem much more difficult.

The position occupied by Mr. Fielding at that time was really an easy one as compared to the position occupied by the present Minister of Finance, and I may say frankly that of the twenty-nine or thirty budget speeches I have heard delivered in this house none has been more satisfactory to the country on the whole than that delivered on March 1 last. I am satisfied that any Canadian or any member of this house whose personal affairs were in a condition as satisfactory as that shown in the country's affairs by the Minister of Finance would be entirely satisfied.

As I have said, in those days only one amendment to the budget speech was allowed; only one issue was raised, but under our present rules we may have two amendments to the budget speech, and the two amendments moved this year show the difficult position in which the minister is placed. The first amendment reads as follows:

> This house regrets that the financial proposals of the government make no provision for reasonably safeguarding and protecting the interests of those "engaged in agricultural pursuits or in industrial" employment in Canada.

If that means anything at all it means an upward revision of the tariff; it means higher protection. Then this amendment was followed by the sub-amendment of the hon. member for Battle River (Mr. Spencer), which was as follows:

> That the amendment be amended by striking out all the words after "house" and substituting therefor the following:
> "urges upon the government the consideration of an immediate and substantial increase of the British preference as a step towards freer trade relations between Canada and other nations."

This means a revision of the tariff downward, so here you have the Minister of Finance following the middle course between the opposition asking for a higher tariff and another group asking for a lower tariff. I was glad to hear the Minister of Finance repeat the statement made by Mr. Fielding nearly thirty years ago, that the policy of the Liberal party was a policy of protection for the masses but a policy of lower tariff. That has been our policy since 1879. When I came to this house Mr. Fielding and his colleagues, under our great leader of those days, was trying to get the country on its feet again after a trial had been given for nearly eighteen years to high tariffs under the so-called national policy. Those who remember the conditions in Canada in 1896, after Canada had had nearly eighteen years of so-called protection, know, and if they do not know they can easily ascertain by looking up Hansard, that Canada was then at practically a standstill. Our great western country was being deserted by its settlers; our financial condition in Quebec, the maritime provinces and Ontario was far from satisfactory, and in fact everyone wanted a change. We had been over-protected; a group of millionaires had been created in Montreal in the cotton and sugar industries, the rolling mills and in the construction of railways, and the masses of the people wanted a change in order to make Canada a cheap country in which to live.

That was the policy of the Liberal party at that time, and in 1897, Mr. Fielding and his colleagues started out by saying that they would reduce the cost of living in Canada and would give a preference to British products. So the British preference was introduced, but I can still hear the wails which came from the old Conservative party; Sir Wilfrid Laurier and his colleagues were blamed for giving a preference to England while receiving nothing in return. The Conservative party fought this British preference; they criticized it from every angle; they said it was too low in some cases and too high in others and so on, but when they attained office they allowed the preference to remain as it was.

Then in 1911 the old parliament buildings rang with denunciations of the Liberal party when it was proposed to enter into a treaty with the United States providing for an exchange of natural products. At that time I had the honour of being Speaker of the house; I put the question day after day for nearly two months, but the Conservative party would not vote on the issue and there was no means by which the vote could be taken. Obstruction of all kinds was resorted to and finally we went to the country, but unfortunately in Quebec especially the people did not vote on reciprocity. They were a unit with regard to that question in Quebec; they were all in favour of it, but the fight was carried on in connection with the navy which Sir Wilfrid Laurier had given to the country. It was adopted by the English provinces but Quebec was afraid that it was going to be an instrument by means of which young French-Canadians would be slaughtered throughout the seven seas in defence of the flag of Britain. We had to fight a double fight—a fight on reciprocity in Ontario and a fight on the navy in Quebec. The French-Canadians are a sentimental people, unduly carried away by sympathy, and the member for Labelle (Mr. Bourassa) and the late member for Jacques Cartier, Mr. Monk, who later became Minister of Public Works,

realized this in their denunciation of Sir Wilfrid, and twenty-nine Conservatives and Nationalists were elected in the province of Quebec. But that will probably never happen again in our generation. The province of Quebec was fooled on that occasion, and it was fooled in 1917, and since that time the Conservatives have only returned sufficient men to report the sad news to this house.

I have not the time to say all I would have liked to say, but I wish to put certain statements on Hansard so that they may be read by my constituents. The surplus of $69.782,000 is one which should be eminently satisfactory to the people of Canada. The estimated revenue of $454,942,000, an increase of $25,000,000 over 1927-28, and the estimated expenditure of $385,160,000, an increase of $22,332,000, leaves a surplus of $69,782,000. The debt of Canada has been reduced to $2,227,068,000, which means a net reduction in six years of $226,708,000, or a yearly average of about $37,700,000. In addition to this the rates of taxation in force in 1922 have been reduced and the sum of $241,000,000 has been remitted to the taxpayers. The interest charges which amounted to $133,482,113 in 1922 have been reduced to $117,142,100 as of April 1, 1929, a decrease of $16,340,013. The payment out of revenue of maturing loans is something new, and the reduction in taxation through the elimination of various taxes has amounted to $25,000,000 in a single year. I would like to know where, in the past history of Canada, anyone could find a more satisfactory statement. I know the people whom I have the honour to represent will be satisfied with that statement.

We have heard many wails and all kinds of complaints about unemployment in this country; about those who are going to the United States and who should be kept at home. I can only speak for the province of Quebec, and will cite the conditions obtaining in the city of Montreal as compared with those of ten years ago. There are nearly one million people on the island of Montreal at the present time, and it would be very hard to convince those people that this country is not prosperous. The harbour of Montreal is rapidly becoming one of the great harbours of the world; it is the first harbour in grain exportation. Last year 453,000,000 bushels of grain from all parts of western Canada and some parts of the United States were moved through this port. The development of Montreal has been very great but progress is not confined to that city. A magnificent system of highways has been constructed by the provincial government, covering the province from the west down to the Gaspe peninsula. There has been great development in the cities of Three Rivers and Quebec and in the Lake St. John district. That district has been transformed through the construction of enormous water-powers, the largest development of the kind in the world. Great progress has been made throughout the whole province in the development of water-powers. Twenty or twenty-five years ago Quebec was looked upon as an agricultural province but it is rapidly becoming an industrial province. Considerable improvement will take place in the Gaspe district because our railways will be linked up with the Canadian National railways. That is something which should have been done twenty-five years ago, as was done in many other parts of the country and in the maritime provinces. In many ways Quebec has improved 100 per cent as compared with its condition ten years ago. There is employment for all who wish to work. Of course, there are complaints there, as there are everywhere else, but they are nothing to what they would have been had the state of affairs which existed in 1921 continued.

Let us look at the trade of Canada at the present time as compared with what it was, not ten years ago, but only last year. During the eleven months ending February, 1929, the merchandise entered for consumption amounted to $1,130,350,273, as compared with $988,501,781 for the corresponding period in the previous year; merchandise, domestic, exported, amounted to $1,248,848,500 as compared with $1,121,233,042 for the previous year. The total trade of Canada for the eleven months of 1928 amounted to $2,109,734,823 as against $2,379,198,823 for 1929, which considered in the light of an increase of $2,352,638 in foreign merchandise exported, gives an increase of $271,816,638. If this computation were figures for the twelve months it would show an increase in one year of about $300,000,000. Where can we find a reasonable or sensible man who will be convinced that this country is not in a satisfactory condition when he is shown figures which prove that a country with a population of under 10,000,000 people has been able to increase its total trade by about $300,000,000? In one year's time we have increased our imports by $141,000,000 in round figures, our exports by $127,000,000 and the exports of foreign merchandise by $2,500,000. The budget showed a favourable trade balance of $154,100,000, and nothing could be more satisfactory than that.

There are many facts which have been given in the addresses of bank presidents, the addresses of presidents of railway companies, in commercial papers and other papers of the importance of the Montreal Gazette which I

would have liked to read, but time will not permit. In a very interesting publication of the Canadian Pacific Railway Company, Agricultural and Industrial Progress in Canada, it is shown that at the present time Canada is the fifth country in the world in point of trade. In 1927 in imports the countries in order of rank were: the United Kingdom, the United States, Germany, France, Canada. With the population that we have, that is a wonderful showing. As regards exports, Canada is in the same position and in point of agricultural trade Canada is also fifth position, the countries in order of rank being: United States, United Kingdom, Germany, France and Canada, followed by British India, Japan, Italy, Argentine and the Netherlands. We have also this statement which is a remarkable one:

> In visible trade balance Canada held third place in 1927, following the United States and British India, while in favourable trade balance per capita, with $15.93, Canada led the entire world.

When I was a young lad fifty years ago I made my debut on a paper which was known then as it is now as one of the leading papers in Canada, the old Montreal Gazette. I was a young reporter in those days, under Hon. Thomas White, who was subsequently member for Cardwell in the house and Minister of the Interior. I am sorry to see that my old deskmate of those days, the hon. member for Mount Royal (Mr. White) is not in the house at this time, but we hope that he will be present before the session ends. The Montreal Gazette, which is one of the most important and influential organs in Canada, publishes every year a review of the business of Canada written by men like the president of the Canadian Pacific Railway, the president of the Canadian National Railways, the president of the Canadian Bankers' Association, the president of the Bank of Montreal, the president of the Canadian Bank of Commerce and other leading Canadians. This is a non-political publication called The Annual Review of the Gazette. I find on the first page of this review for 1928 the following lines from our old friend the hon. member for Mount Royal who, let it be said en passant, is the last survivor of the men who served under Sir John A. Macdonald in the house, and we all hope that he will rapidly regain his health so that he may be able to finish his term. What does he say in this review, for he is the doyen of the Conservative party in the house? He says:

> Needless to say, it has been a year of prosperity. Balance sheets work out gains. A new hope has come to the maritime provinces, crops have been large in the western provinces, and in the middle provinces factory production and distribution have gone beyond record. Foreign trade in value and volume outstrips precedent. This is the sum of the year.

That is the statement of the hon. member for Mount Royal, so that there is not much trouble in showing whether Canada is in a prosperous condition or not. The president of the Canadian Pacific says that his railway has gone into the construction of branch lines because it has faith in the future of the country, especially in the west. I often wonder how it is that the members for Toronto are always quasi-unanimous in criticizing the policy of the Liberal party when, under the Liberal policy, a company like the Canadian Pacific Railway, which has become the greatest transportation company in the world, is able to erect a $16,000,000 hotel in the good old Conservative city of Toronto. It shows it has some faith in the future of Canada, and that conditions in Canada are not as bad as might be thought from listening to some of the statements that are made in the house.

The president of the Canadian National Railways states that he has found satisfaction and a growing feeling of optimism throughout the whole country. It is part of his business to visit every province in Canada, and after doing this he says that the Canadian National this year, after paying all charges except interest charges due the government, will have a surplus of $7,000,000. Those who sat here in 1921 will remember that there was a deficit of $60,000,000 on this road. That has been changed in a very short time to a surplus of $7,000,000, showing that Canada has been making wonderful progress. The Montreal Gazette that I cited a moment ago, in publishing the annual statement of the Canadian Pacific, gives certain figures which I do not want to weary the house with, and then it has this to say:

> This is a remarkable achievement, having in view the fact that so much of the company's western traffic is handled upon a low rate basis. That the gross earnings are the largest in the history of the company is evidence not only of largely increased car loadings, but of extraordinary efficiency in taking care of the traffic available.

Last year was the greatest year in the history of the Canadian Pacific. That is a wonderful thing to say, and surely we are not expected to believe that Canada is not prosperous at the present time.

Let us pass on to something else. Senator McDougald, writing in the article of the progress made by the harbour of Montreal, concludes with these words:

With a grand total of 423,570,557 bushels received and delivered in a navigation season the duration of which does not exceed about 215 days, not far short of an average of 2,000,000 bushels of grain passed through the harbour elevators every twenty-four hours.

Mr. A. E. Phipps, president of the Canadian Bankers Association, has this to say:

The calendar year just closed has witnessed a volume of import and export trade without equal in the history of the country. Abounding national revenues, record wheat production, increasing railway earnings and an unusual amount of building construction as expressed in terms of cost in the larger cities, and in fact in practically all parts of the country, have marked the year. It would be strange indeed if all this were not reflected in banking. Without elaborate statistics, the increase in current loans by the banks, as per return of October 31st last, of $165,000,000, or 15.5 per cent over the corresponding figures of October 31st of 1927, may be taken as indicative of the general increment in volume of banking business. If more evidence were wanted, the increment of 17.8 per cent in aggregate debits to individual accounts at clearing house centres in all Canada for the three months ended October 31st last, as compared with the like for the same period in 1927, affords corroboration nothing short of proof.

The editor of the Montreal Stock Market makes this statement:

By every possible standard of measurement or basis of comparison the Montreal stock market in the year 1928 eclipsed all prior records.

Mr. W. M. Birks, president of the Canadian Chamber of Commerce, speaking on the mercantile situation of Canada in 1928, says this:

Judged by the basal factors which determine our mercantile situation, the year 1928 has been in the van of our entire economic progress. Whether it be cultivation, manufacturing or the development of our natural resources, each tells the same story these past twelve months of an abounding prosperity, which per se indicates prosperous commercial conditions. Unless there were outlets for the products of the plough, the dynamo and the exploitations of nature, there could develop no commerce of proportions. Canada has found itself in the fortunate situation, however, where marketing opportunities of unusual dimensions, both at home and abroad, have absorbed the output of her farms, her factories and her harnessed and natural wealth. More than that, the sinews of commerce have shown remarkable strength. Given the volume of output in Canada and the more than ordinary intake of imported merchandise, the transportation companies and the competing distributing agencies have all made the flow of commerce between our provinces and between Canada and outside countries particularly easy and vigorous.

These are statements which cannot be challenged. Let us see what the president of the Canadian Manufacturers Association, Mr. L. W. Simms, says:

During the past year I have travelled from the Atlantic to the Pacific, and have made also a number of trips which included the principal industrial centres. These gave me an opportunity to discuss business conditions with manufacturers of various lines. The general impression I received was that Canada, on the whole, is making material progress, and that the improvement evident in 1927 has been continued during 1928.

There is no branch of activity, as I said a moment ago, in which greater development has taken place in recent years than in the electrical industry, and here is what Mr. D. C. Durland, president of the Canadian General Electric Company, Limited, says with regard to that industry:

The electrical industry has kept pace with the requirements of national expansion during a year in which more electrical energy has been generated and utilized than in any similar period of Canada's history. The great activity in hydro-electric development manifest during the last few years continues without abatement, and sufficient undertakings are either at present under construction or in prospect to insure substantial progress being maintained during 1929.

At the beginning of 1928 about 4,800,000 horse-power was being generated by Canadian rivers, and about 550,000 horse-power was added during the year. The total of 5,350,000 horse-power is twice that available at the end of 1923. In other words, the annual increase during the last five years has been about 25 per cent.

In view of this very rapid increase in production and demand, it is interesting to note that Canada's potential water-power resources are estimated to be not less than 43,000,000 horse-power, a portion of which is at present unavailable because of its great distance from populated centres. Research and inventive genius, however, are at work devising means of overcoming even this handicap of distance, while electro-chemical and other industries are following electrical projects into country which has hitherto been considered as wilderness. A typical example of this trend is that of the Saguenay river development in northern Quebec, which is now generating 540,000 horse-power at Isle Maligne Station, or twice the amount consumed in the city of Toronto. Three industrial establishments in the immediate neighbourhood, far from any city, will utilize practically all this power. These vast power resources are becoming an increasingly important factor in Canada's progress.

Already this country has the second largest per capita installation in the world, with its 513 horse-power per 1,000 of population, being only exceeded by Norway. To-day $900,000,000, representing approximately $100 for every person in Canada, is invested in hydro-electric plants.

Could there be, Mr. Speaker, a more eloquent, a more glowing description of Canada's progress up to the present time than

is contained in the statements which I have just read? In the few minutes remaining at my disposal, I shall have to leave aside much that I should like to have said. Progress has been made all along the line, not only in the hydro-electric industry, but in farming, in the development of pulp mills, in the construction of railways, in construction generally. Here is what the editor of MacLean's Building Reports says:

During 1928 the estimated value of new construction reached a total never equalled previously.

And so on.

I have reluctantly to give up my task, but the task has been a pleasant one, and I must thank those who have done me the honour of listening to me without any interruption, probably because I have become, as Providence willed, one of the oldest members of the house. There are only four or five of those who were in this chamber nearly thirty years ago, but I am glad to know that I have been able to speak in language as eloquent as I used twenty-eight years ago, when I asked my people to remember that in putting their faith in the Liberal party they were putting their faith in the true party, because the policy of the Liberal party has been at all times the policy of the people, for the people, and by the people; and no matter what changes may take place, and changes will happen naturally in all countries governed by the party system, the fact remains that when the country gets in the lurch after eighteen years of protection, and after ten years of war, when bankrupt railways have been purchased and our national credit begins to fail, and the value of the Canadian dollar to dwindle, the country naturally turns its eyes to the Liberal party to save it.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. T. E. SIMPSON (West Algoma): Mr. Speaker during the progress of this debate a great deal has been said about the prosperity which Canada is enjoying to-day, and I have been rather amused at the attempts of hon. gentlemen opposite to show that in some unaccountable way this prosperity is attributable to the policy of the government. Five cabinet ministers and about twenty government supporters have taken part in the debate up to the present time, but not one of them has pointed to any specific act of the administration which to any appreciable degree has contributed to this prosperity. In my opinion Canada, blessed by her great natural resources and by a kindly Providence, supplemented by the skill and energy of her people, is prospering to-day in spite of the policy of the government. If the government would adopt a policy along the lines of that suggested in the amendment proposed by my hon. friend from South Wellington (Mr. Guthrie), a policy which would make provision for reasonably safeguarding and protecting the interests of those engaged in agricultural pursuits and industrial employment, I believe the country would be enjoying more prosperity and we would have greater reason for rejoicing.

I should like to take the Minister of Agriculture (Mr. Motherwell) to Algoma in order that he might hear what the farmers in that section have to say about the policy of the government—a policy that permits large quantities of fresh vegetables and fruit grown in the United States to be marketed in this country a few weeks before the Canadian crop is ready, thus giving to the competitors of our market gardeners the benefit of the high prices then prevailing; a policy that encourages the importation of New Zealand butter, with disastrous effects on our dairy industry; a policy that in the opinion of the farmers in that section of the country is very unfair to the marketing of their hay. At the present time the price of hay is a little higher on the Canadian side than it is across the line in the state of Michigan, with the result that considerable quantities of hay are being shipped from across the river to compete in our market with Canadian-grown hay, which enjoys a protection of only two dollars per ton. A few years ago this situation was reversed; the price of hay was a little higher on the American side, but the Canadian farmer was effectively blocked from participating in that market by a duty of four dollars a ton. It would be very interesting to hear what the farmers of Algoma have to say to the minister with respect to a policy which they feel does not give them a fair break in their own home market.

Now, sir, in his budget speech the Minister of Finance (Mr. Robb) made reference to the development of trade within the empire. In that regard he spoke as follows:

It is gratifying to note the steady development of inter-empire trade. Canada, the pioneer of the British preference, looks on empire trade as the keystone of its external trade policy, and desires in every way to foster closer trading relations throughout the British commonwealth of nations.

We are all anxious to see trade with the empire increased so long as this increase is

developed on a fair and equitable basis; but it seems to me that the policy of the government does not lend itself to the development of that trade, but rather to the development of trade with the United States. Let me give a few figures in support of my statement. Our imports from the United States for the twelve months ending January 31, 1927, amounted to $675,518,000, as compared with our imports for the twelve months ending January 31, 1929, of $840,353,000—an increase of $164,735,000, or 25 per cent. From the United Kingdom our imports for the same two periods were respectively, $164,635,000 and $193,451,000—an increase of $28,816,000, or about 17½ per cent. Our exports to the United States in the same period increased $31,769,000. while to the United Kingdom they decreased by almost ten million dollars. Or take another example. For the calendar year 1928, the increase in our total trade over 1927 amounted to $270,548,000. Of the increase in imports 90 per cent was attributable to trade with foreign countries, and only 10 per cent to trade with countries of the British Empire. Of the increase in our exports, foreign countries accounted for 65 per cent and the British Empire only 35 per cent. It must be apparent that the policy of the government, particularly with respect to our imports, is not developing trade within the empire.

The total trade of Canada during the past year has increased by a very substantial amount. In the conduct of his own business a man naturally is very much interested to see his total turnover increase; but he is infinitely more interested in his financial statement at the end of the year to see if there has been a corresponding increase in his profits or surplus account. Now, let us look at Canada's trading account from that angle. It may be stated by some hon. members that it is not fair to compare a nation's trading with that of an individual or a private company. In some respects I admit that it is not, but the comparison which I desire to make is, I think, an eminently fair one. The following figures show Canada's favourable balance of trade for the four years from 1925 to 1928 inclusive:

1925	$392,905,000
1926	275,597,000
1927	151,664,000
1928	151,812,000

These figures show that while we have been increasing the volume of our business, we have not been maintaining a corresponding increase in our favourable trade balance. I am sure the Minister of Trade and Commerce (Mr. Malcolm), being a keen business man, would feel considerable alarm if in the conduct of his business, notwithstanding the fact that the aggregate sales or turnover was increasing year by year, there was not a corresponding increase in his surplus or profit account.

How do we account for this? The explanation is that the policy of this government encourages the export of our raw material in an unmanufactured state which commands the lower price, and encourages an ever increasing amount of imports of fully manufactured goods which command the higher price. Take an example. The increase in imports in 1928 over 1927 was made up of 75.5 per cent of fully manufactured products, 2.7 per cent of semi-manufactured products and only 21.8 per cent of raw material, while almost 75 per cent of the increase in exports consisted of wheat. And our imports are constantly increasing. Take the returns for the month of February 1929 and we find that the imports in that one month have increased by $11,000,000 over the imports for the corresponding month in 1928, over $6,500,000 of which consists of iron and its products; and our exports during February have decreased by $6,500,000. This shows an unfavourable balance of trade for the month of $14,782,710. Now last year our imports from the United States amounted to $840,000,000, at least 65 per cent of which consisted of manufactured goods, which would amount to $550,000,000, 75 per cent of which could be manufactured and should be manufactured in this country, representing some $400,000,000. What would it mean to Canada if we were manufacturing all these goods here? Let us ask the Minister of Trade and Commerce to answer the question. In the very excellent speech he delivered the other day he made reference to our exports of manufactured goods, speaking as follows:

> I wish to point out the value of our export of manufactured goods. The ratio of labour to the value of the goods going out of the factories of Canada is shown to be 43.8 per cent. Hon. gentlemen who know something about industry are aware that overhead represents largely labour, expenses of sales force, advertising, bookkeeping, and so forth. All the raw material originating in Canada which goes into the factory as raw material is a finished product to the industry that produces it; therefore it represents labour. A very careful estimate—and I think it is extremely conservative—shows that for every dollars' worth of manufactured products exported from this country fifty cents is spent in the Dominion on labour in some form or other. On this basis our total of manufactured exports represents an expenditure on Canadian labour of over $300,000,000. Allowing $1,500 as the average return for the Canadian worker, it means that 200,000 workers of this Dominion are employed by virtue of our export trade

in semi or fully manufactured products. Accepting the ratio of one gainfully employed in every four, it means that the manufactured exports of this country provide employment for ten per cent of our total population.

Therefore, Sir, I submit that nothing this Dominion can do is of greater importance than to assist her industrialists to find outlets for their commodities in the markets of the world; this brings employment to our working men, it brings money to our shores, and it provides markets for the raw material of the Dominion, whether wheat turned into flour, or lumber turned into sash and doors.

That is the reasoning of a keen business man who, I believe, is making an honest effort to increase the export of our manufactured goods. But let us apply that same reasoning to our imports from the United States. Last year we imported $400,000,000 worth of goods from the United States, which goods could be manufactured in Canada. The minister says that one half of that amount represents labour, which would amount to $200,000,000. Allowing $1,500 as the average wage which would be paid, this would provide employment for 130,000 additional people in Canada—more men in this country spending their wages in the products of factory and farm. It is not hard to imagine the impetus this would give to the prosperity of Canada, and if you figure five in a family for each working man it would increase the population of Canada by about 650,000 people and would solve the problems of the Minister of Immigration over night; for no policy of immigration is better than one that provides employment for the immigrant when he lands in Canada. If you can provide the immigrant with satisfactory employment at a reasonable wage, he is going to send word back to his friends and neighbours. So that instead of spending millions of dollars to induce immigrants to come to our shores you would have them rapping at your door for admission.

I want to refer now for a moment or two to the pulp and paper industry. The development of this industry since the war has been very rapid. The production of newsprint in Canada in 1913 amounted to 350,000 tons, and in 1928 this had increased to 2,381,000, over one-third of the total world production. Canada last year exported 92 per cent of her total production, valued at $129,000,000, second only to wheat, and no small factor in the favourable trade balance which the Minister of Finance (Mr. Robb) was able to show. But as a result of this rapid development our pulp and paper mills find themselves equipped to turn out a greater quantity of newsprint than they can find a market for, so that many of them have machines idle while some have been closed down completely for an indefinite period. If time permitted I could tell some of the experiences which the men have had to endure in some of these centres, in Espanola, a purely paper town in the constituency of East Algoma, and in another in the constituency of Fort William. This means men out of work. While the premiers of the provinces have had consultations with the paper manufacturers and have done what they could to try to remedy the situation and bring about a more even distribution of production, in my opinion this government, if they would take action, could relieve the strain with very little difficulty by placing an export duty on pulpwood. Last year we shipped to the United States 82 per cent of the total production of newsprint, but in addition to that we exported to that country 1,500,000 cords of pulpwood. This wood was manufactured into newsprint in the mills of the United States, and to that extent supplied the demand which otherwise would have been supplied by Canadian mills. If by the imposition of an export duty 800,000 of the 1,500,000 cords of pulpwood could be manufactured into newsprint in Canada it would provide 650,000 tons of newsprint or about 25 per cent of our total production, and that would enable all of the mills in Canada to work to capacity. Canada would receive $30,000,000 more for the finished article than is paid for the raw wood, and in addition employment would be provided for about 5,000 additional men. While we have great pulpwood areas, Mr. Speaker, we do not want to get the idea that our timber resources are inexhaustible; we have arrived at a point of production now whereby vast areas are being stripped of timber each year. The 1,500,000 cords of pulpwood shipped to the United States last year would represent the pulpwood from an area of 360 miles square; Canada cannot go on at this rate indefinitely and still maintain a supply for her own mills. So I submit, Mr. Speaker, that the government could relieve this situation very easily if they wished to do so.

Some person will say, "What about the settler? The settler has to sell his wood, which he cuts in the winter, in order to maintain his family until he clears sufficient land for the raising of crops." I thoroughly agree with that position; the settler must be protected, but I consider that it would not be a difficult matter for the provincial government to arrange with the pulp and paper companies that the actual settler should receive a fair market price for his pulpwood. It must be borne in mind that not over 25 per cent of the pulpwood which we export is cut by actual settlers; by far the larger portion of it is

cut by pulpwood farmers and by companies which have acquired large areas of timber for the purpose of cutting and exporting the pulpwood to the United States.

Now I would like to direct attention for a few moments to the iron and steel industry. In his address the other day the hon. member for Swift Current (Mr. Bothwell) devoted some time to this industry and quoted from the brief presented by the Algoma Steel Corporation before the tariff board, particularly with respect to the iron ore industry. He quoted as follows:

> There are in Canada reserves of iron ores of excellent metallurgical quality, and large tonnages of these ores are available and contiguous to the Great Lakes water system, and therefore in a position to be cheaply conveyed to the consuming centres, which are also situated adjacent to the same water system, but all the known deposits of ores located in this district require beneficiation before they can be used in the blast furnace. The cost of beneficiation is in excess of the cost at which American lake Superior ores can be laid down at Canadian furnace docks at the present time, and therefore governmental assistance in the way of bounties would be required to firmly establish a Canadian iron ore industry.

He quoted further from the brief, as follows:

> . . . . until increased mining costs in the American iron ore fields force the price of ore well beyond present levels, we will be unable to proceed with the development of this important future source of supply.

His comment was as follows:

> That was the statement made before the tariff board. If the situation in Canada is such that it is going to cost us considerably more to use our own ore and coal in order to manufacture iron and steel, surely at this time it is good business for us to get our iron and steel from some other place.

The statement he read from this brief is substantially correct with respect to the iron ore situation in this counry. We have large quantities of iron ore in different sections of Canada; in northern Ontario particularly there are large deposits of siderite and magnetite ores, but none of this ore is suitable for blast furnace use in its natural state. It has to be treated; the sulphur, phosphorus and other impurities must be removed and the iron content raised before the ore is suitable for blast furnace use. This costs money, and as a result not a ton of iron ore is being mined in Canada to-day for use in Canadian blast furnaces; the ore is secured from the iron mines of the United States or Newfoundland. However, I contend, Mr. Speaker, and I am backed up in this contention by the commission appointed by the Ontario government some years ago to investigate the iron ore situation, that it is not in the national interest for Canada to be dependent upon another country for the raw material of such a great basic industry as that of iron and steel. This commission, having made an exhaustive study of the whole situation, recommended that a bounty should be paid in order to assist in meeting the cost of the treatment of this ore, one-half of the bounty to be paid by the province and the other half by the Dominion. So far as the province of Ontario is concerned, two or three years ago they provided for the payment of their share of the bounty, but although my hon. friend from Fort William (Mr. Manion) and myself have endeavoured to impress upon this government the necessity of providing their share of the bounty, up to the present time they have not seen their way clear to do so.

Just here I would like to refer to the mining of ore from the Helen mine, when it was in operation, in order to give an idea of what this would mean to Canada. This was a mine at Michipicoten which was operated for a few years, during which time a little more ore was taken from it than was imported into Canada last year, and I will give the actual result of the operation of that mine during that length of time. The company paid in wages $1,820,000, in freight $1,642,000 and for supplies $1,020,000, or a total of $4,482,000, and it is estimated that at least $700,000 of that total was for farm produce. We must bear in mind that the cost of mining ore is almost entirely in wages and freight rates, and I contend that it would be very much in the interests of Canada to keep that money circulating in our own country instead of sending it to the United States.

Some people are opposed to the principle of bounties, and in that connection I would like to quote what Mr. Fielding had to say. As the Minister of National Defence (Mr. Ralston) stated this afternoon, we are indebted to Right Hon. W. S. Fielding for providing a bounty for the iron and steel industry about 1900, which bounty was paid for about ten years. Referring to this fact, Mr. Fielding said:

> In this connection,, I would like to invite the attention of the house to the question of what these bounties have accomplished. I know that with some excellent citizens of Canada the idea of bounties is not popular. More than once I have met people of the very best class who shake their heads over the idea. I think, however, that it can be clearly shown that the treasury of Canada has not lost one dollar from the payment of bounties. The iron and steel industries which have been established in the country have undoubtedly had a great effect in the development of the trade in Canada. Just how far the influence of a steel industry is felt may be a matter of debate. I have no doubt that honourable gentlemen have found many cases where business has been influenced favourably a long distance

from the location of an iron and steel plant; I have found such cases myself; and it must be remembered that in all the principal trade centres of Canada vast quantities of goods have been purchased and sold to these steel ports, as I may describe them.

He goes on to show that the collection of customs duties at ports where steel industries were established increased materially as a result of the increased business carried on after the bounties had been paid. He gives a comparison of the ten-year period before the bounties were paid and the ten-year period during which they were paid, which shows that the customs duties collected in the first period amounted to $7,708,566.69 and in the second period, $16,710,211.72. The collections at the port of Sault Ste. Marie increased by almost $1,000,000 per year for the ten-year period subsequent to the payment of bounties. From three to five million dollars was paid annually in wages, and large sums were also paid to our railways as a result of the operations of the steel mills in that city. Since the war the steel industry in Canada has had to contend with very unfair competition in its own market from the large steel industries in other countries, especially the United States. Last year I presented to this house as clearly and as frankly as I could the reasons why we considered this competition was not in the interests of Canada. I offered a concrete suggestion as to how it could and should be remedied. Time will not permit me to repeat this argument to-night, but I will read an extract from the brief submitted by the Algoma Steel Corporation to the Advisory Board on Tariff and Taxation, which shows that our steel industry was operating at less than fifty per cent of capacity, although equipped to manufacture practically all the steel which was imported, with the exception of some of the larger shapes of structural steel. In part, the brief reads as follows:

> From these figures it will be noted that during these seven years (1921 to 1928) our steel-making capacity has been employed only to the extent of 39 per cent of rated capacity, and that in only one year did we exceed 50 per cent, viz: the fiscal year ended June last. The increase in that year was due entirely to the increased demand for standard rails and fastenings.

While our mills were operating at less than fifty per cent of their capacity, we find importations increasing at an alarming rate. Under the heading Iron and Its Products we find the following imports:

1925..	$134,684,441
1926..	181,196,800
1927..	229,429,485
Twelve months ending January 31, 1929.. ..	330,953,152

[Mr. Simpson.]

There is an increase of over $100,000,000 since March 31, 1927, and of 150 per cent in a period of less than four years. What does this mean to the men engaged in this industry? The following appears in the brief of the Algoma Steel Corporation:

> The salaries and wages paid during this period (1921 to 1928) amounted to $22,501,555.65, or an average of $3,214,507.95 per annum. Assuming full employment for our steel-making capacity, the additional wages paid within our own plant would amount to upwards of $2,000,000 per annum.

Is it any wonder, Mr. Speaker, that those interested in building up the steel industry of this country, and those dependent upon that industry for employment, are asking for a policy which will give them a fair chance in their own market? It is not necessary for me to argue the question further. The government, and particularly the Minister of Finance, is thoroughly familiar with the whole situation. What we want is action. This matter has been before the government for three years; it was one of the first matters placed before the tariff advisory board for their consideration. What I desire to ask, and what the people whom I represent desire to know, is why no provision has been made in the budget of this year to relieve the situation. The government cannot say that there has not been sufficient time in which to thoroughly investigate the matter. I ask the minister in all sincerity to have the courage to adopt a real Canadian policy, one which will enable us to carry on the manufacture of iron and steel within our own country and provide more steady employment for the men engaged in that industry.

Mr. D. J. COWAN (Port Arthur-Thunder Bay): Mr. Speaker, it is customary to congratulate the member who speaks before you and on this occasion I have very great pleasure in conveying my congratulations to one of my fellow citizens who is also a fellow Conservative. The sentiments which he has expressed are those which are dear to my heart. The fact that there are to be no speakers from the other side of the house this evening may be an indication that we have finally tamed them into submission, or perhaps they have realized the hopelessness of answering the arguments which have been developed from this side of the house. I propose to address myself to what is not included in the budget proposals.

By the budget proposals introduced by the Minister of Finance (Mr. Robb) the government has invited the house to display a trustfulness, not to say credulity which might well tax the faith of the most docile and best dis-

ciplined majority. One would have thought that the Liberal lions, particularly from the west, would have demanded a bigger banquet.

In view of the dangerous situation which may arise after the summoning of the congress of the United States, it seems to be the government's policy to mark time with regard to tariff changes; apparently it is the desire of the government to wait and see. The action of the government in deciding to postpone the tariff changes has caused serious and widespread disappointment. It means that all the work of the tariff advisory board during the past year has been swept temporarily into the dust-bin. Many great industrial corporations have spent thousands of dollars in preparing their case and in having it heard before that board. The steel, coal, electric-stove and foundry companies, as well as those requesting a revision and aid in the coal, steel and iron industries have all gone to the greatest trouble to collect their information. The failure of the Finance department to carry out any of the recommendations of the tariff advisory board, or to submit to the House of Commons any such recommendations or findings as have been made by that board, will be found to reflect seriously upon the prestige of the board. Unless action follows as a result of these hearings, in future the industrial companies will decline to go to the trouble and expense of preparing their case for presentation to the board, especially in view of the fact that during the last two years the board has given every indication of deciding these applications on purely political grounds. There has been at all times a juggling and shifting between the tariff board and the Department of Finance until the public and the applicants before that board do not know upon which they should place reliance, or upon whom the blame should be placed for delays or postponements. This deception is parallel to that which was practised upon the patriarch of old Isaac; when he desired to confer a blessing upon his son, through the deception of his wife another son was substituted until the blind old man exclaimed: "The voice is Jacob's voice, but the hands are the hands of Esau."

The Postmaster General (Mr. Veniot) in his speech the other day had some remarks to make in regard to the action of the acting leader of the opposition, the hon. member for South Wellington (Mr. Guthrie). I am not entering upon a defence of the action of the hon. member for South Wellington. He needs no defence at my hands, nor at the hands of anyone else, for his presentation of the arguments against the budget was one of the high lights of the session. As we on this side of the house watched the countenances of hon. members opposite, we could not help feeling that many of them could only be said to be envious of the courage of the man who could follow his convictions. It was apparent to any observer that his amazing eloquence and convincing logic had almost forced them to exclaim as did that old and troubled Roman governor years ago: "Almost thou persuadest me to be a Christian." The present administration have not that forward look; they are looking at the past instead of at the future, and I propose during the few minutes at my disposal to discuss some of the subjects which I submit, in all fairness, should have been included in the budget.

The first matter I wish to discuss is that of highways. The subject of aid to international highways or a trans-Canada highway was introduced into the house by the hon. member for Athabaska (Mr. Kellner). The situation in Ontario, and particularly in the district of Port Arthur and Fort William, is one that calls for special treatment. In 1867 confederation became possible by the building of the trans-Canada railway. The unity of Canada may be made more permanent by the completion of a trans-Canada highway for motor cars. The motor car of to-day is a universal means of transportation of freight and passengers, and the construction of a trans-Canada highway is capable of hastening the unity of Canada, of bringing the east and the west together, of stimulating the development of Canada in a fuller measure than is possible by any other means. The motor car demands an all-weather surface highway, much as the railway train requires steels rails. Its degree of efficiency in solving the problem of transportation is in large measure disappointing owing to the absence of proper highways. All our previously accepted ideas of highways and their use must be revised in the light of the usefulness of the modern motor car and its amazing efficiency. Experts in construction of highways admit that all-weather motor highways are of material importance, and that the greater initial expense in their construction is amply justified. Highways are a matter not only of local interest but of national importance. The whole nation gets the benefit of them. From a national point of view highways are necessary for postal service, for trade and commerce, and for the general welfare of our citizens. It has now been recognized in the transportation world that motor highways, meaning thereby all-weather roads, rival even the railways in the extent of their operations and the service which they render to the

public. We all know that in Canada railways were early recognized as of national importance, and to supply the necessary encouragement to bring them into existence the people of Canada gave large and valuable land grants to the promoters and guaranteed their bonds as well. The people of Canada must do the same thing, but in a different manner, for the national highways. The highways when built remain the property of the public; they do not become the property of private corporations. It is not possible, therefore, to induce their development by giving land grants. It must be done by way of cash subsidies. In 1919 the Dominion government, in cooperation with the provinces, arranged a plan whereby the sum of $20,000,000 was set aside by the Dominion government for main highway construction in Canada, out of which under the arrangement arrived at, the Dominion government paid to the provinces 40 per cent of the cost of contruction, the routes for the various highways being worked out in conjunction with the provinces. I think the proposed construction of a trans-Canada highway embodies a sound national policy and should be accepted as outside and above party politics.

The federal government of the United States has, since 1917, expended more than $650,000,000 among the various states of the union to stimulate and assist them in building their main system of highways. In proportion to the effort that has been made by the United States, $20,000,000 from the federal treasury in ten years is a very small amount. If Canada were making to-day the same effort as the United States, the amount spent on highways by the federal government would amount to $60,000,000. The advantage which would accrue to Canada as a whole by the construction of a trans-Canada highway cannot be measured in dollars and cents. It is estimated that citizens of the United States spent in Canada last year hundreds of millions of dollars. Tourists will not travel in Canada unless good motor roads are provided. There are 20,000,000 motor vehicles being used in the United States of America. The people there believe in using their cars for both pleasure and business; they have built the most wonderful highways throughout the length and breadth of their immense country, and in order to attract them to our northern country we must have all-weather motor highways throughout the Dominion. There is as yet not one transcontinental highway across Canada. We realize in the cities of Port Arthur and Fort William and in the surrounding districts the advantages of having a highway between Duluth and Port Arthur. The value in dollars and cents to the merchants, hotels and business people of those communities of the traffic coming over this route is of transcendent importance. The provincial government should not be obliged to pay the whole cost of the construction of the remainder of the road extending east from Port Arthur to Sault Ste. Marie. This is a work of national and not provincial importance, and a portion of the expense should be borne by the national treasury. I suggest in this connection one other thought; the western provinces, including the district which I represent, have a large mileage and a sparse population. The contemplated highway is a provincial asset and not merely a local improvement. Federal aid should, therefore, be granted to the provinces in proportion to the mileage to be constructed rather than on the basis of population. This highway policy which has been adopted in the United States has worked out very successfully there and I urge upon the government of the day the advantage of adopting the same policy in our own country.

A year ago, speaking in the budget debate, I advocated the policy of the extension of our air mail routes. This method of the transportation of mail has been tried by the Post Office Department to some extent in eastern Canada. I would urge the government to establish an air mail service from Montreal and Toronto to western Canada. I need not dilate on the necessity of rapid transportation of mail. I think the system has got beyond the stage of an experiment. Even now it is certain that a great saving in time will be achieved, and that, after all, is the primary end of air mail service. To-day the post office is a vital and indispensable part of organized daily life, and especially of business and commerce. No possible method of making a more efficient and serviceable handling of mail can be ignored by the postal authorities. It is but a natural development in the evolution of mail delivery that airplanes should be adopted wherever possible. It requires 48 hours for mail by the present mode of transportation to pass from Port Arthur to Montreal, and 60 hours from Winnipeg to Montreal. This by a proper service could be cut down to 10 and 13 hours respectively. I understand that the advantages of the service which has been put on between Rimouski and Montreal have received favourable comment. In the United States the air mail service was put into effect on the 15th of May, 1918. It has met with a gradual response from the mailing public, and has now reached the stage where it has be-

come a daily factor in the business life of the communities throughout that country. Prior to February 15th, 1926, the air mail service in the United States was operated by the Post Office Department. On that date, the air mail service under contract between the Post Office Department and private individuals or corporations was established, and on September 1, 1927, the government relinquished its operation of the air mail service, and now all mailing routes are under contract. I think it is taken for granted that the service provided by airplanes would be more expensive to the department. An increase in the air mail postage rate would help to bear a portion of the extra expense thus incurred. In the United States they have adopted a rate of 10 cents per half ounce, as compared to a rate of 2 cents per ounce for ordinary first-class mail. This increase in the rate would create a fund to offset the increase in the cost to the department for transportation of mail by aircraft. Naturally every city could not have delivery of mail by aircraft, but means could be found of distribution from the larger centres to the smaller communities.

Now I turn to the question of the waterways. One of the questions which had been discussed a great deal in the press, by engineering societies, and by the people generally, is that of a highway to the sea. Should there be a deep water canal connecting the Great lakes with the Atlantic, and what should be our relation with the United States in connection therewith?

We must keep in mind the fact that the United States is insisting upon a seaway by way of the Great lakes and the St. Lawrence, and if Canada does not cooperate, the question of an alternative route through the United States must be considered. This is one of the important questions that has arisen in Canada during the first quarter of the twentieth century, and upon this important question no lead or direction has been given by the Prime Minister or the government of the day. The policy of the government seems to be one of shuffling and evasion. It is to be observed that no communication has passed from Canada to the United States in regard thereto since April 4, 1928, that no advance has been made in the matter of determining the respective jurisdictions of the provinces and the federal authorities and that at least another year will pass away before the government takes any step to reconcile the interests of the provinces and the Dominion.

If any conclusion can be drawn from the attitude and actions of the government, it is that the water-power privileges are the dominant factor and the chief interest underlying the waterways project. This may be of interest to eastern Ontario and a portion of Quebec, but it does not take into account the long view of the interest of the rest of Canada in the canalization of the St. Lawrence river. This is certainly a work for the general advantage of Canada, and the opinion has been freely expressed that it would have been better business to have withheld action on the water-power franchises until the whole scheme had been worked out and a settled policy determined upon as regards both the water-power development and the construction of the canal. I think the time is opportune for the government to give a lead to the discussion on this subject, and that the attitude of the government should be presented to the house and to the public. According to the press reports, a great body of public opinion in the United States views with alarm the franchise proposed to be given to the Beauharnois Power and Canal Company. It is easier to retain than to regain privileges and franchises, and it is the more remarkable in view of the fact that the St. Lawrence advisory commission recommended that the cost of the construction of the canal should be paid out of the sale or earnings of the power franchises. It would appear that the day is past when the cost of the canal is to be borne in the manner suggested by the advisory board. I think the Prime Minister owes it to the house and to the country to state in unequivocal terms the attitude of himself and his government towards this enterprise, so that we shall know the position we are in, and the course he proposes to take.

I intend for a few moments to elaborate on the argument which has just been presented by my hon. friend from West Algoma (Mr. Simpson) with regard to the iron ore situation. The importance of the iron and steel industry in Canada warrants exceptional measures being taken to make that industry as far as possible self-sustaining in regard to its supply of raw material. For the last calendar year, and for several years prior thereto, not a ton of iron ore has been mined in Canada or used by Canadian furnaces. This is a condition that should not be allowed to continue.

The great area of northern Quebec, northern Ontario and Manitoba, known as the precambrian shield, is the most highly mineralized area in the world. Geologists tell us that in that geological formation is found all the great mines that are in existence to-day. Eighty-five per cent of the pre-

cambrian formation is in Canada and the remainder is in the United States. The 15 per cent in the United States we find in the great Mesaba range, upon which to-day the prosperity of the United States depends in regard to steel and iron products. Our balance of trade is adversely affected to the extent of over $300,000,000 by the importation of American ores during a period of twelve months.

Under the system of bounties on certain mineral products, there was paid out of the federal treasury up until the year 1911 the sum of $17,000,000. At that time a great number of blast furnaces were established in Canada, at Hamilton, Port Colborne, Midland, Parry Sound, Deseronto, Ojibway, Port Arthur and Sault Ste. Marie, but many of these have ceased to operate as a result of the discontinuance of the bounty provided.

The advantages to be gained by the use of our own ore are apparent to anyone who has given any thought to the subject. Sufficient investigation has been made to demonstrate that there are iron ores in Canada in sufficient tonnage that could be made available immediately by some preliminary treatment. I urge that the federal Department of Mines should conduct experiments to demonstrate an efficient method of beneficiating our low grade iron ores, and assistance by means of a bounty would encourage the installation of extensive plants and permit Canadian furnaces to utilize Canadian ore. Researches have been conducted in the state of Minnesota to demonstrate the most economical metallurgical methods of bringing our low grade magnetites up to merchantable grades. The United States Bureau of Mines at Duluth have been experimenting on ores similar to our own, but of much lower grade, giving from 20 to 27 per cent iron content. I think the department could well make use of experiments so conducted, as they have extended over a period of years. Extensive areas have been explored in many parts of Canada, and I have no reason to doubt that concentrates of merchantable ores will be found in these ranges. This is particularly true of northern Ontario, which on more than one occasion has been referred to as the breaking point between eastern and western Canada.

The development of the iron ore industry would increase the revenue of our railways. It is estimated that at least 65 per cent of the tonnage of the railways in the United States is derived from the products of the mines. It would help to solve the question of providing tonnage and earning power for the Canadian National Railways. It would stimulate the development of all our mining activities, and the increment in the revenues of Canada that the proposed bounty would require would amount to only a very small tax. I would urge the Minister of Finance to take advantage of the opportunity of granting needed assistance to this industry, particularly in view of the fact that the Ontario government in 1924 passed what is known as the Iron Ore Bounty Act, for the very purpose of assisting this industry. It is to be noted in this connection that the treasury would be assuming no responsibility if no iron ore was produced. I suggest it is worthy of a trial to ascertain whether the producers with the aid of a bounty could make a success of the enterprise or not. The advantages are numerous, and the disadvantages are not evident. The Minister of Finance should, therefore, take advantage of the Ontario act, and the Dominion should contribute a sum sufficient to put this enterprise upon a satisfactory basis.

It is a striking commentary on Canadian industry that the number of men employed in blast furnaces in 1913 was 1,589 and that in 1925 the number had been reduced to 656 and is still less at this date. There are now only three furnaces in operation in Canada, and their total output is only 21 per cent of the total capacity of such furnaces.

Iron ore, coal and steel are the three main roots that give life to and support the trunk of the iron trades tree. No matter how widespreading and fruitful its branches, if this tree has its roots outside of Canada it is not a Canadian possession. It is time now to establish, in cooperation with the province of Ontario, this industry on a permanent and successful commercial basis. The time to begin is now, in order that it may be fairly established within the next ten years.

There are many iron ore deposits in northern Ontario that would be developed if this legislation should receive approval, and I know of no legislation of a constructive character that would be of greater advantage to Canada as a whole.

Mr. SPEAKER: Is the house ready for the question?

Mr. J. A. FRASER (Cariboo): Before the question is put, Mr. Speaker, I want to say a few words about the district that I represent in this assembly. I have listened attentively to a good deal of what has been said in regard to other parts of the Dominion, and as I represent the district of Cariboo, from which

you do not hear a great deal, I propose for a few minutes to give you a description of my constituency.

In the first place, let me tell you that British Columbia starts at the 49th parellel and extends as far north as the 60th. The district of Cariboo starts at the 49½ parallel and extends north to the 60th. Then if you take it east and west, British Columbia is about 700 miles across, and my constituency takes in only 350 miles of it. You see, sir, I represent about one-half the area of British Columbia, and therefore should have as much to say as the other thirteen members from that province.

An hon. MEMBER: Go ahead.

Mr. FRASER: Thank you. Now, let me say also that so far as occupations are concerned, in my riding they are almost as diversified as its area is extensive, because we have there almost every kind of known occupation. We are richly endowed with raw materials, and we are developing them to sustain our population. We engage in all branches of agriculture, including wheat-growing and fruit-growing. We have the great grain-growing area of the Peace river, as well as other grain-growing areas in the southern part of the district in the neighborhood of Kamloops, up through the Cariboo country along the line of the Pacific Great Eastern. We have in addition a large area suitable for the raising of cattle, in fact the largest area anywhere in the Dominion to-day. And I mean the raising of cattle without the necessity of providing them with shelter during the winter time except in a very primitive way. That area extends from the Nicola valley in the south clear up to the Cariboo country, a distance of three or four hundred miles, and from the base of the coast range on the west to the base of the Selkirk range on the east, a distance of some two hundred miles. We raise a large number of cattle there, but the area is easily capable of raising three or four times the number.

Now, you will appreciate the importance of this industry when you remember that to-day the city of Vancouver provides a very good market for the beef produced from those cattle. The population of Vancouver is certainly going to grow, so there is no need to be afraid of the expansion of the beef-raising industry. It is only a very few years since the city of Vancouver was founded; to-day it has a population of 325,000, and I can assure the house that in the next twenty-five years it will be a city of a million people.

We have also the dairying industry, a very important industry, but it has been affected to a certain extent, and not favourably either, by the policy of this government. I hear from all the dairying centres of my constituency the same complaint that is voiced in this house, and I would suggest to the government that it would be in the interests of the dairy farmers, especially those in my county, if some remedy were applied to meet the present unsatisfactory condition. However, I shall have more to say in regard to this a little later on.

We have also an important fruit and vegetable growing industry, extending from the Shuswap lake and Salmon arm in the east all the way down the Thompson river and up the Fraser river to Lillooet. This is the choicest fruit-growing area in British Columbia, and given a fair chance a very profitable industry could be developed. But under present conditions the people there are not operating very successfully. A similar condition prevails to that which obtains in the west in regard to wheat-growing, as we are advised by members from the prairie provinces. Although they have had a big crop of wheat the complaint is general that it has not been profitable to the farmers. But the reason why we cannot grow fruit profitably in these valleys is that, to a certain extent, the policy of the government is not what it should be. Last session when the question of some measure of protection for the fruit and vegetable growers was before the house I remember distinctly that when I asserted the Prime Minister (Mr. Mackenzie King) had no intention of putting the dumping regulations into effect he assured me that he could act in five minutes if the occasion presented itself. At that time I said that the Prime Minister had no intention of taking action because he had sat in his place in parliament as Prime Minister for the four years from 1922 to 1926, and there was urgent necessity during all that time to put the clause into effect, but he had not done so. What has been the result? During the whole of last season the fruit growers of British Columbia were demanding that the dumping clause should be put into operation. This was not done by the government, and consequently the fruit growers in this district have suffered very severely.

Now, in addition to these important agricultural activities we have an extensive mining industry. Not only in placer mining, which is the original form of mining, in which you discover a gravel pit, wash the gravel through a sluice box and find in the bot-

tom the pure gold—not only that kind, which I am sorry to say is not as profitable as it was in the early days, but as well mining from all kinds of quartz is carried on. One thing I wish to say in regard to quartz or, as we call it, lode mining, is that it requires a great deal of scientific investigation. Now the government have agreed with British Columbia on the fact that it is properly the work of the federal administration to make a geological survey of that province, and while they are carrying out this work to a reasonable extent so far as British Columbia as a whole is concerned, I am bound to say that in the district of which I am speaking the progress is not at all satisfactory; they are not working fast enough. The district of Cariboo covers one half of the area of British Columbia and in all that area during the last two or three years the government have been spending between eight and ten thousand dollars per annum on the survey. That is not adequate; it is not good enough; it is not satisfactory to the people who are prospecting in our mines. The prospector is gradually disappearing, and those prospectors that remain should be encouraged to a greater extent than they are by this government. And the way in which to encourage them is to furnish them with the geological information which is absolutely necessary before they can proceed with prospecting operations. I therefore appeal to the generosity of the government in this matter; I appeal to the generosity of the minister from British Columbia to remember when he is preparing his estimates that Cariboo wants more money for geological survey work.

We have also very important areas of timber throughout the whole of that vast district. At present they are not being developed rapidly except along the lines of railway where transportation is available. Let me remind the house of the fact that these people's markets are not available from the west coast; they are on the prairies and in the eastern United States. Very large quantities of timber are exported from the Fraser valley in the north and from the Thompson valley to eastern markets in the United States and around Chicago.

Then again we have fishing of various kinds, as well as hunting and trapping. And I do not know where you could go in the world to find more and better scenery than in that country. I remember having heard the Hon. Mr. Tolmie when he was in this house make the statement that twenty-five Switzerlands could be carved out of British Columbia and still leave plenty of territory over. I would go further and say that you could carve twenty-five Switzerlands out of Cariboo alone and have something left over. I have briefly surveyed the territory for this reason: under existing conditions we naturally require a certain amount of government service. We are not receiving that attention which a sparsely settled district requires. Scattered throughout the area are small communities the extremes of which are at least a thousand miles apart, and these communities require, if you are to keep them settled and enable them to make some progress, communication in some form or other with the outside world. One means of connecting these settlements is through the telephone and telegraph. The federal government have undertaken the responsibility of linking up a certain number of these settlements by means of telephone, because it is impossible otherwise for them to be self-sustaining under present conditions. As the population increases the telephone becomes profitable, or at least it will pay expenses. And when that condition arises what happens? The government sell out the telephone to some commercial company and it is then operated on a commercial basis. I submit that the investment of this money in commercial telegraphs is a wise expenditure. How can we expect to have settlers remain in that country under present conditions, living a happy and contented life, unless they are linked up one with another and are able to communicate with surrounding settlements. Just imagine women and children out in these places, small valleys far back from the main highways: do we expect them to settle down contentedly when they are not able to communicate with their nearest neighbour, twenty, thirty or forty miles away, having no word with them from one year's end to the other? Surely that is a condition which the government can remedy. I readily admit that the government have to a certain extent provided these services for several of the communities in question, and we are very grateful for such extensions as have been made. But I wish to impress upon the government that these extensions are not nearly rapid enough. The government do not seem to get down to business and provide the service which the people should be given under modern conditions if they are expected to remain in these localities and be happy, contented and prosperous.

I should like to remind the Postmaster General (Mr. Veniot)—he is not in his seat, but that does not make much difference—that important postal services are absolutely

necessary throughout the whole area. From time to time, travelling around the district, I go into little communities where I find that the people have been anywhere from ten to fifteen years without a postal service of any kind, so that the inhabitants are obliged to travel ten or fifteen miles to get their mail. I know of one settlement from which I received a communication the other day which is asking for the establishment of a mail route seventeen miles to the point where the people usually get their mail. I travelled through that settlement in 1924 when the road was first opened and there were settlers there then, and I find in 1929 that these people had not yet been furnished with a postal service. I ask the Postmaster General: does he think that this is treating people in outlying settlements in a fair and reasonable manner? If you want these people to remain where they are you must provide them with reasonable services. If the minister can spend hundreds of thousands of dollars to provide an air service such as exists in the eastern section of the country he should be able to provide a few dollars for the maintenance of some kind of service in these isolated communities.

The other day I heard the Minister of Finance (Mr. Robb) in his budget speech make the statement that there was general prosperity throughout the whole Dominion. Well, I am sorry to have to carry any tale of woe to the minister or to indulge in what he would call whining; but I am bound to tell him that judging by conditions in the district I represent there is by no means any prosperity. How can a farmer in the Peace River country, for instance, be prosperous under present conditions without transportation facilities of any kind, where it costs him 30 cents a bushel to get his wheat to the end of steel? It is useless to talk about there being prosperity in a community of that kind, and it is astonishing to think that not only do these people remain where they are but that thousands are at present going into the district. I should say it is about time the government got busy and did something with regard to the extension of railway facilities to that part of the country.

I have pointed out also that our fruit and vegetable growers certainly are not enjoying any prosperity. I have heard some farmer members say that the farmers on the prairies at present are not getting enough to cover the cost of production, but I should say our fruit growers are doing even worse than that; they are going behind to a certain extent.

Then consider the cattle industry. I do not want to express any tale of woe with regard to that industry, because they have had a pretty good year; I was told on reliable authority that for the first time in seven years they are getting sufficient to cover the cost of production. But you cannot call that industry prosperous.

Mr. EDWARDS (Frontenac): And that is the best they have done for seven years?

Mr. FRASER: Yes, and let me say that in the years 1922 and 1923 the statement was made to me by one of the largest raisers of cattle in that district that the money he received for his beef would not pay the wages of his men. Now that industry is making enough to pay the cost of production, but that is not enough; they want something better.

I have occupied more time than I had expected in talking about the Cariboo district, and now I wish to take up the statement of the Minister of Finance with regard to the increase in customs revenue of $28,000,000, or 15 per cent. The claim is made by the minister that he is not increasing taxation in this country, that as a matter of fact he is reducing taxation, but what are the figures? In 1925 the customs revenue was $120,122,453; in 1926 it increased to $143,933,110; in 1927 it was $158,966,367 and in 1928 it was $171,872,768. Then how can the minister say that he is reducing taxation while the amount of money which is being collected in customs duties is increasing? And again, why is he collecting more money in this way? I may be mistaken, but I am under the impression that a certain hon. member on this side of the house is responsible in a large measure for that increase; I refer to the hon. member for Vancouver Centre (Mr. Stevens), who commenced an agitation in 1925 for the investigation of the customs department. The increase in the amount being collected at present is largely due to that investigation, and I think it is only right and just to the hon. member for Vancouver Centre that some one should mention this fact. I think the country should know that the increased efficiency in that department and the more rigid supervision really has been the result of that investigation.

The Minister of Finance also says that the policy of this government is not a high tariff but a low tariff policy. How those people on the other side of the house do love to talk about a high tariff policy; if they have anything to say about the tariff at all they cannot leave out that word "high." The hon. member for Vegreville (Mr. Luchkovich), during the course of his excellent speech the other day, said that he had been investigating the difference between the Liberal and the

Conservative tariffs, and over a certain number of years he found that the only difference was that the Liberals had collected six-tenths of one per cent less than had been collected by the Conservatives. I have the annual report of the Department of National Revenue, which anyone can read and from which my figures can be checked, and from this report I want to point out to the house and to the country exactly how the taxation compares year with year. I desire to place before the house the percentage of customs taxes collected by the various governments from 1921 to 1928 on the total duty collected on the total imports entered for home consumption. The contention is always made that, the Conservatives being a high tariff party, when they get into office they impose a higher tariff than the Liberals, but, according to my figures, that is not so. They are as follows:

	Per cent
1921..	14.5
1922..	16.2
1923..	16.6
1924..	15.1
1925..	15.0
1926..	15.5
1927..	15.4
1928..	15.5

In 1921, when the Conservatives were in power, we collected customs duties at the rate of 14.5 per cent on the total imports; in 1928 under this low tariff policy, the government collected 15.5 per cent. So how can any man tell me that this is a low tariff government? Still the Minister of Finance, in the most convincing manner, makes the statement that this is a low tariff government, while, according to these figures, which can be easily checked, they have increased the total taxation on the people of this country by one per cent.

A few days ago the hon. member for Marquette (Mr. Glen) made another astonishing statement. With regard to the high tariff policy he said:

> There is a growing feeling against high tariff in the United States, despite what is said to the contrary.

I submit that this hon. member must be a modern Rip Van Winkle; where has he been and what has he been doing for the last few years? Apparently he does not know that there was an election in the United States last fall and that the low tariff party was snowed under to the extent of 6,000,000 votes. Apparently he has never heard of that, and I suppose he never heard that although the Democratic party has been the low tariff party in the United States for the last seventy-five years, during the last election they had to climb on the high tariff band wagon in order to get any votes at all.

There has been a certain amount of criticism levelled at this government during the last few days in connection with their actions with regard to technical education, but in all seriousness I cannot agree with that criticism. I do not know what could be more consistent with the Liberal policy than to refuse to aid technical education. Why should they spend money in training the young men and women along this line when they are doing everything they can to take our industries across the line? Nothing could be more consistent; as a matter of fact, it is the only consistent thing I have seen them do since I came to this house.

The same thing would apply to the matter of highways. Why should this government spend money on a national highway; why should they spend money to build up a Canadian national sentiment? Do not all their policies lead south? The policy which they have adopted in this matter is another consistent thing. Why should not the few of us who are going to be left in this country have an opportunity of getting in our little cars and going down to Washington where we have spent half a million dollars in establishing an embassy? We can go down there and have a look at it, but nothing is more natural than for the Liberal government to refuse to give us a highway across Canada. It might develop a Canadian national sentiment, and that would not be in line with the policy which the government is pursuing.

I am not going to take up very much of the time of the house in discussing the dairy industry because so much has already been said on that subject. I do not intend to burden the records with any extensive figures, but I should like to give a few quotations from the proceedings of the tenth annual meeting of the National Dairy Council of Canada, held in the King Edward hotel, Toronto, November 26 and 27, 1928. Representatives from all over the Dominion of Canada assembled in Toronto to discuss matters pertaining to their business. These men were experts in their line and should know what they were talking about. I would like to read a few words from the address of the president, as follows:

> We feel (and we believe rightly so) that the dairy industry has not had a fair show and that if it had had right consideration we would not to-day be importing fifteen or twenty million pounds of butter per year to feed our own people. It is the duty of this council to do what it can to see that the dairy industry has a chance to develop under just and fair conditions.

Mr. EDWARDS (Frontenac): Is that Mr. Caulder?

Mr. FRASER: Yes, from Saskatchewan. A Mr. Robinson of Quebec, discussing the reason why there had been a reduction in the quantity of milk and cream produced in this country, said:

When the farmers of this country get a price for their products which will be just a little more attractive to them than they are at present, then the butter fat will be forthcoming, and not before.

That is his reason for the decrease in the production of these dairy products—that the price has been too low. Why is it too low? Ever since the Australian trade agreement came into operation we have been told that it has made no difference in the price of these products, but we have the evidence of expert dairymen to the contrary. I would ask the house to remember that members from British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec and, I think, from some of the maritime provinces, were present at this convention. They were discussing matters which pertained to their industry, and the following resolution was laid on the table for discussion:

That the National Dairy Council reaffirms its adherence to the principle of adequate protection for the dairy industry on butter and cheese.

That resolution was moved by a Mr. Berry from British Columbia. In moving the resolution he said:

The tariff in this Dominion has been for the benefit of almost everybody but the farmer all the way down the line. There is nothing wrong, to my mind, in the farmer of the prairies asking some advantages in the way of protection. The implement manufacturer and the automobile manufacturer ask for adequate tariff protection, and there is no reason why the farmer should not have adequate protection in connection with the manufacture of butter.

Mr. Clarke, from Alberta, said:

I am sure Mr. Berry has given you exactly the feeling of the western farmers. I think it is up to us to look for protection in our own interests.

Mr. Tovell, a representative from Manitoba, said:

I am going to be quite frank in this matter and say that I believe the dairy business in Canada was more prosperous under the situation which prevailed prior to the coming of the Australian trade agreement, but I would also say that I believe we need to use all the good judgment we can in determining methods to try to remedy the present situation.

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. ROBERT MILNE (Neepawa): Mr. Speaker, in rising to say a few words in connection with the budget, it is not my intention to enter upon any discussion of the financial standing of the Dominion of Canada. This question has already been dealt with, and will probably be touched upon later. I may say, however, that the man by the roadside cannot help but be of the opinion that a surplus of practically $70,000,000 is a fairly satisfactory condition so far as the finances of the Dominion are concerned.

There are things in the budget which I like and things which I do not like. I am very glad that this year the income tax has been left untouched. I am pleased also that the sales tax has been reduced, because this is a tax which affects practically the whole consuming public. We have heard a great deal about the prosperity of Canada, and perhaps if we measured that prosperity on the basis upon which it has been measured in this house we might believe that our present prosperity has never been exceeded. But I am of the opinion that this prosperity has not been equally distributed; the primary producer has not been getting his share of it. I do not propose to pick out any extreme cases to illustrate this point. The reason why the primary producer is not enjoying to the extent he is entitled the prosperity that exists at present is because in every case he has to take what is left of the price that is paid for the commodity he has to sell. The transportation people get their share first; the distributing organizations get theirs next, and the remainder goes to the primary producer. It costs just as much to distribute grain whether it grades the highest or whether it comes down six or eight grades below the top. Last year, until a very short time before the binders were put into the fields in western Canada, we were promised an abnormal crop. Climatic conditions, however, intervened during the last few weeks of its development, with the result that a large percentage of the grain in western Canada fell into very low grades. That is, there was passing through the inspection department in Winnipeg more grain grading No. 5, No. 6, and feed, than any other grade. A few days ago I picked up a paper which gave the shippings to the head of the lakes, and it was shown that for the week ending March 8 more grain grading No. 5 was shipped than any other grade. This, according to the figures that were given, was worth about twenty-five cents a bushel less than No. 1 northern, or the top grade of wheat. The same conditions applied to oats and barley; the

largest number of carloads were always in the lower grades, which, on the market, were bringing in oats, around sixteen cents below the top price, and in barley, around ten cents below the top price. Just to give an idea of the expense in moving 1,000 bushels of wheat from an average point in the prairie provinces to the market at Liverpool, let me quote from the 1927-28 Canada Year Book, page 286:

Railway freight	$150 00
Inland water freight	82 92
Ocean freight	62 10
Commission, profits, fees, interest, loading and other handling charges	87 03
Insurance	15 26
Total	$397 31

Or approximately forty cents per bushel. These charges do not vary. That is, it costs just as much to handle a low grade wheat as a No. 1 grade, so when one deducts the forty cents from a low grade grain, it can readily see that the price the producer receives is not very large.

I might give another illustration of how the farmer has to take what is left. About the first of March I noticed these figures in the city of Winnipeg. The consumer was paying $1.13 per bushel for Prince Edward Island potatoes. The transportation company received 45 cents per bushel for carrying the potatoes from the maritimes to Winnipeg, and I am told by some of my maritime friends that the farmers were receiving around 20 cents a bushel. There was another 48 cents that disappeared somewhere, no doubt going to the distributors. The fact that the potato market was $1.13 in Winnipeg at that particular time is no indication that the potato grower in Prince Edward Island was getting a fair price for his potatoes. I might say in passing that the people of the Dominion were subsidizing the railway companies to a certain extent to assist the Prince Edward Island growers in getting rid of their potatoes. Then my protectionist friends come along and ask for a duty on potatoes to hold the market for the potato growers of the Dominion. I maintain that 20 cents a bushel is not of much value to the potato growers of the maritime provinces or any other province. If it is not possible to return more to the farmer than 20 cents, it is not in the best interest to hold any bouquets in front of them to encourage them to grow potatoes. Those two illustrations are given to show that the primary producer is not getting a fair share of the prosperity that appears to exist when we measure it by the number of carloads that are shipped.

[Mr. Milne.]

Farmers in western Canada are quite frequently accused of being extravagant and inefficient, and I want, in order to give an illustration of the so-called extravagance of the prairie farmers, to quote the census returns of 1926 for the western provinces. These returns show that the average farm buildings, which include the home, barn and necessary outbuildings to carry on farm work in the province of Saskatchewan, were valued at an average of $1,802. That amount would scarcely build a garage for some of my prosperous friends in the industrial sections of the Dominion.

In Saskatchewan only 1.1 per cent of the farms had water piped into their houses. Only 1.9 per cent of the total farms had electric light in their homes. Eighteen per cent of the farmers had automobiles, and in Manitoba, the oldest of the three prairie provinces, only 27 per cent enjoyed the advantages of the telephone. In the fact of these facts will anyone accuse the farmers of the prairies of being extravagant in regard to home conveniences?

Not infrequently we hear it said that the real cause of the farmer's trouble is inefficiency; that if he would adopt the well-tested methods of the businessman, he would soon be out of the woods. This is something I have always doubted, because we have had a number of eminently successful business men try their hands at farming. They undertook to employ their well-tested methods to agriculture, only to find that their farms were a useful device for reducing their income tax. We are forced to conclude that the real dirt farmer knows a thing or two, which even a business man does not know. We are now comforted by seeing this opinion confirmed by the researches of the National Industrial Conference Board of the United States. Its findings were that the average output of the farm worker increased 47 per cent during the period from 1899 to 1925, and during the same period the increase per factory worker amounted to 49 per cent. In spite of our industrial miracles and our Henry Fords, the farmer has managed to keep well abreast of the manufacturer so far as improved production goes.

I am not one of those who believe that all the ills of agriculture can be remedied by the Dominion government or by any government in any section of our country. I am inclined to think that the political parties rather flatter themselves when they try to take the responsibility on their shoulders of bringing prosperity to any one particular class. No

doubt through the system of taxation they can have an influence on certain phases of the troubles of a particular class.

I am going to outline briefly what I consider are the real problems of agriculture, and I do not think that this applies particularly to the grain growers of western Canada, because I have listened to a great many members speaking in this house and have talked with a good many of my friends from other sections of the Dominion, and I gather that what I have to say would cover perhaps the whole country from one end to the other.

I think one of the greatest costs is the cost of distribution. The next biggest cost is the cost of transportation, and the third, which might be divided under many headings, is the cost of production. I was somewhat surprised at the hon. member for South Wellington (Mr. Guthrie), for whose judgment and opinion I have a very high regard, when he said that he could remedy present conditions with a scratch of the pen. I cannot think he was serious in making that statement. Instead of studying the actual conditions he must, I think, have been reading some fairy story about a magic pen in a wizard's hand. This magic wand of protection, together with the British flag, has been very kind to the Conservative party in the past, but in my estimation it has been of little benefit to the farmer. I am rather surprised that my hon. friends opposite should be so eager to adopt any policy that originates under the stars and stripes when they have the British flag nailed so firmly to their mast. One would naturally think they would turn their eyes rather to the British flag and imitate the ways and means evolved under it.

Let me develop briefly the question of distribution, to show where I believe there is room for considerable improvement. It is my opinion that those in charge of distribution have not increased their efficiency in proportion to the increased efficiency of the agriculturist and industrialist. When eggs, graded extras, are selling in the city of Winnipeg for 60 cents a dozen, the farmer receives for them on an average 40 cents a dozen, or he gets about 75 cents out of the consumer's dollar. Later in the season, when eggs are selling around 40 cents a dozen, the farmer and the distributor break about fifty-fifty. I maintain that that is not a fair division. Again, when dressed chickens are retailing in the city of Winnipeg at 37 cents a pound, the market quotation f.o.b. Winnipeg is 23 cents a pound; in other words, the farmer gets 60 cents out of the consumer's dollar, and out of that he has to pay the freight from where he lives to the distributing point. In this case the man who has dressed chicken in his warehouse for a week or ten days receives more for his work than the farmer who hatches the chicken, feeds and protects it for a period of from three to six months, dresses and packs, ships it to market, and pays the transportation charges. Last week the market quotations on potatoes in Winnipeg were as follows: wholesale, f.o.b. Winnipeg, $1.10 per 100 pounds, carload lots; jobbers to retailers, $1.35 per 100 pounds; retailers to consumers, $1.88 per 100 pounds. In this case the producer, after paying the freight, gets 52 cents out of the consumer's dollar. So, Mr. Speaker, I maintain that there is more room for greater efficiency in the distribution of goods than in any other of the lines I have mentioned.

Not having access to the prices of manufactured products at the factory, I am unable to say what the spread is between the manufacturers price and the price the consumer pays, but judging from the number of drummers chasing up and down our country in automobiles and the number you see crowding pullman and dining cars I am fairly well convinced that the cost of distribution of manufactured products is about as far out of line, as is the case with the farmer's products. The farmers are attempting seriously to cope with this difficulty by the establishment of cooperative marketing organizations. We now have cooperative wheat pools, cooperative organizations for the selling of poultry and eggs, and for the marketing of live stock, all of which organizations are making substantial progress in spite of persistent opposition from the old established systems of distribution. Just to illustrate that we have persistent opposition, let me quote from the Canada Year Book, page 770:

> Over one hundred complaints have been received and dealt with since the enactment of the Combines Investigation Act. Many of these have related to the basic industries or manufacturing, most have arisen as a result of rapidly changing methods of distribution, the development of chain stores, cooperative buying agencies, department stores, mail order business, and the growing practice of direct selling.

I received a letter some time ago from a wholesale concern in Winnipeg which is endeavouring to cut corners and reduce the cost of distribution, from which I quote this sentence:

> Many commodities are controlled both as to price and as to channels of distribution by agreements amongst manufacturers, wholesalers and many other groups, which tend to stifle open competition and enhance prices to the consumer.

In spite of all our difficulties we are hoping that these systems that we are trying to

develop will return a larger percentage of the consumer's dollar to the producer, without materially raising the cost to the consuming public, and I humbly suggest that our manufacturing organizations should make an intensive study of the distribution of their goods in order to narrow the spread between the producer and the consumer.

I want to refer for a moment to the suggestion that has been put forward by the Conservative party that industry, if given adequate protection, would be able to absorb all the products of our farms. It seems to me that this is rather an unreasonable proposition, and too much to expect. In the development of all countries agriculture has always led, that is, the agriculturists open up and develop the virgin soil. After them come the industrialists and they proceed to develop industry. In this country agriculture is so far in the lead that at the present rate of progress many years must elapse before the consumption of farm products catches up even with our present production; in fact the prospect is too remote to be considered seriously. The following figures will illustrate my point. Our exports of cheese exceed our imports by 135,325,000 pounds. The average per capita consumption of cheese in this country during the past year was four pounds. It will readily be seen therefore that we would need an additional population of 33,580,000 to consume our surplus production of cheese. I was not able to get figures for our other milk products in such definite form, but all told we have an excess production of about thirty million dollars' worth. From the Trade of Canada for 1927. I secured these figures with respect to meat products. Taking our fresh pork, dry salted pork and bacon and ham, I find we have a surplus of exports over imports of 415,930,000 pounds. The average per capita consumption of pork is about 70 pounds. It will be seen that to take care of our surplus pork production we would need a additional population of 5,940,000. Our total exports of beef, including pickle, frozen and live, amount to 102,869,000 pounds. To consume this surplus, allowing a per capita consumption of 70 pounds, which is about what we average, we would require a further population of 1,460,000. Last year our wheat crops was estimated at something over five hundred million bushels. Our average consumption of wheat per capita is about 4½ bushels, and it would take an additional population of 111 or 112 millions to consume our surplus production. In view of these figures I maintain that it is futile to hold out to the agriculturists of Canada the expectation that within any reasonable period of time industry can be developed to the point where our industrial population will be able to consume the surplus products of the farm.

It seems to me that our transportation has always been a difficult problem. Nearly every member who has taken part in this debate has referred to transportation, whether he represented the fishermen of the maritimes or the coal men of British Columbia. I became curious to know how the tariff has affected the capital cost of our railway system. Last session before the special committee on railway estimates a question was asked as to the comparative cost, exclusive of duty, of locomotives, box cars and passenger cars in the United States and in Canada. The figures given are for the year 1927. Locomotives, type 482, cost in Canada $94,250, in the United States $83,500, or an increased cost in Canada of $10,750,—approximately 25 per cent. Forty-ton steel frame box cars cost $2,800 in Canada, in the United States, $2,180, or an increased cost in Canada of $620—a gain approximately 25 per cent. Steel colonist cars cost in Canada $35,000, in the United States $26,000, or an increased cost in Canada of $9,000—approximately 30 per cent. Convertible ballast cars cost in Canada $3,150, in the United States $2,600, or an increased cost in Canada of $550—approximately 25 per cent.

Taking these figures, I calculated what this excess cost would mean for an ordinary train of box cars composed of an engine and fifty cars. The excess cost would be $41,750. This would mean an average increased annual charge, allowing interest at five per cent and depreciation at ten per cent, of $6,262.

Then I proceeded to apply this to the whole railway system of the Dominion. The figures are somewhat staggering, but I give them for what they are worth. I had to go back to 1926 to get the equipment figures, but no doubt there has been an increase in the equipment since that time. In 1926 we had 5,680 locomotives. Taking the average cost at $60,000—this is considerably less than the cost I quoted for type 482, but I thought some of the engines might be smaller, although I have no doubt some are larger and more expensive than type 482—taking this average figure of $60,000 gives a total value for our locomotives of $340,000,000. In 1926 we had 6,628 passenger cars. For these I have allowed an average cost of $45,000—I think I am not too high—which gives a total investment of $297,000,000. In that year we also had 211,255 box cars, including stock cars, ballast cars and other equipment. Taking their average value at $2,000, we have a total of $424,000,000. Adding together these three

totals we have a grand total for the rolling stock of $1,061,000,000. If all this equipment had been brought into Canada, taking the rate of duty at 25 per cent, it would mean an extra cost for our rolling stock of $265,000,000.

But I went a little further. We have forty-one thousand miles of railway track. Taking 80-pound steel rails, this would represent 140 tons of steel per mile, or a total of 5,740,000 tons. The duty on steel rails at seven dollars a ton represents a total of $41,180,000. If we add this to the 25 per cent duty on the equipment, amounting to $265,000,000, we have a total excess cost of over $306,000,000. I do not think anyone will dispute my statement that the tariff has increased the cost of building our railways and the cost of our rolling stock.

While this protection was being accorded to the steel industry, in order to encourage the building of railways, Canada gave to various railway companies land subsidies totalling more than 47,180,000 acres. She gave a cash bonus of $225,500,000 and guaranteed bonds to the extent of approximately $484,500,000. And then our good friend from Fort William (Mr. Manion) comes to this house and suggests that the steel industry of Canada has not been receiving fair consideration at the hands of the government. But I would point out further that the steel industry of Canada had a tube to the federal treasury which sucked out in subsidy between 1896 and 1912, ten millions of pure gold. Yet we are told, as I say, that that industry has not been getting fair consideration. In 1922 the hon. member for Fort William made this statement in the house:

> I admit frankly I know nothing of the details as to whether a certain article should have fifteen, or twenty, or thirty per cent protection.

I am inclined to think he has not given the question much consideration since. No doubt, after listening to high tariff advocates and preaching it himself, he has made himself believe that high protection is the only means of making possible the development of the iron and steel industry of Canada. I wonder how long he will prescribe the same medicine for this infant that has been unable to walk after all this pampering for the last thirty-six years. The hon. gentleman in his speech a few days ago referred to the fact that something like $300,000,000 odd worth of steel and its products was brought into Canada last year. He did not tell the house that on this amount of steel brought in there was approximately $50,000,000 in duty collected, or almost half the total wage bill of the whole industry which he included under the heading of imports of iron and its products.

In an effort to gain some information regarding the iron and steel industry, I consulted the year book and found a chart showing the production of the different minerals in the Dominion. It was headed, with nickel produced in Canada, showing 90 per cent of the world's production, while asbestos was 85 per cent of the world's production; and in the whole table iron was not mentioned. I understand that iron is not produced in the Dominion at the present time, and surely it is not for want of protection. There must be something else at the bottom of it; it must be the cost of getting the iron ore, or some difficulty in smelting. While iron is perhaps the most important metal to our industries, at the same time, in my opinion, instead of a tariff to encourage production, what should be considered is the question of research and investigation. That will help solve the problem so far as the iron industry is concerned.

We in western Canada have been struggling with freight rates ever since the Dominion was established and we have been pressing for many years for an outlet to Hudson bay. We wish to have that construction as cheap as is possible, yet out of every rail laid and every spike driven on that line the steel industry gets its toll. In the newspapers the other day I read that three hundred cars of cement were to be shipped into the port for work at Churchill. From every shovelful of cement put into the works at Churchill the Canada Cement Company, with its head office at Montreal, calmly sits by and takes its slice because of the tariff.

Mr. STEWART (Leeds): What is the tariff on cement?

Mr. MILNE: Eight cents a hundred pounds.

Mr. STEWART (Leeds): Did not the recent investigation before the tariff board show that cement was cheaper in Canada than in the United States?

Mr. BLATCHFORD: No.

Mr. STEWART (Leeds): Yes, in some places.

Mr. MILNE: The report shows that the Canada Cement Company has a monopoly in the Canadian market, and since its coming into existence it has split its stock at least twice. It is a wealthy corporation that practically has a monopoly of the Canadian cement business.

Mr. BLATCHFORD: I would point out that the Canada Cement Company—

Some hon. MEMBERS: Order.

Mr. MILNE: Another industry which, in the national interests of Canada—

Mr. BLATCHFORD: May I ask the hon. member a question? Is he aware of the fact that Canada cement is sold at 35 cents a barrel less where there is independent competition?

Mr. MILNE: That was the impression I had from reading the report, but I have not the facts before me and I do not propose to make statements I cannot verify. I maintain that cement and paint are two products that are of national importance. In the first place, cement is a substitute for wood, and we hear to-day great complaints about the depletion of our forests. If cement were made as cheap as possible it would tend to prolong the life of the forests. And paint is a commodity which is used in the protection of wood, and for the same reason I suggest that it also should receive very serious consideration. I submit that the tariff on these two items should be reduced to the lowest point. Now, Mr. Speaker, some people are of the opinion, no doubt—

Mr. DEPUTY SPEAKER: The hon. member's time is up.

Mr. W. F. GARLAND (Carleton): I crave the indulgence of the house for a few minutes. I would not take up the time of the house now but for the criticisms I have heard of the speech delivered by the hon. member for South Wellington (Mr. Guthrie) in this debate. That speceh I regard as one of the best I have ever heard in this house and I wish to congratulate the hon. member upon the able and eloquent delivery he made. One part of his speech to which I wish to refer particularly is the statement with regard to the civil service of Canada, which statement is being taken advantage of by our opponents. I would request the critics of the hon. member's speech to read an editorial which appeared in the Evening Citizen of March 15, 1929, and which I shall read in part. I quote:

Mr. Guthrie's sweeping criticism of the government on the ground of extravagance in management of the civil service has naturally attracted special attention in Ottawa. Some civil servants have felt that the attack was upon their profession. But that is quite a mistake. Mr. Guthrie, as a politician and leader of politicians, was attacking his political opponents. He declared the service to be overmanned and wasteful, but imputed the fault to the government,

not to those who compose the civil service. Let the government defend itself.

I would like to know what this government has done for the civil service of Canada. I remember the session of 1923, when I was a member of a special committee appointed by this house to inquire into the operation of the Civil Service Act. This committee worked hard and brought in a report on June 22, 1923, in the dying days of the session. The committee held fifty-seven sittings and examined fifty-one witnesses, but nothing has been done in regard to its report except that during the following session Bill No. 122 was brought into the house to provide for the superannuation of civil servants. The motion which brought that bill to this house was moved by myself and seconded by the hon. member for Ottawa (Mr. Chevrier), but from that time to this nothing has been done by the government. I have been wondering whether at the next session of parliament the government would bring down some measures which would be of advantage to the civil servants of Ottawa, thereby securing a majority of the votes in this section.

The chairman of that committee was the present Minister of Trade and Commerce (Mr. Malcolm), who was very fair and efficient at all times. His report was adopted by the house, and it contained a very strong recommendation with regard to the appointment of a supernumerary staff which could be utilized by the department for rush work such as comes along from time to time in the Department of Public Works, the Department of the Interior, the Post Office department and other branches of the service. This staff was to be composed of employees who were not eligible for superannuation and who were perhaps above the age limit and unable to enter the permanent service. To my mind this plan would do away with some of the over-manning which might be noticeable in such departments at slack periods.

Now I wish to specify some cases in which the government might be of assistance to the civil service of Ottawa. For instance, I would like to ask the government what they are doing for the technical and professional branches of the service. Recently I was amused to receive an advertisement from the Civil Service Commission calling for a qualified chemist to start at a salary of $1,800 per annum, with a maximum of $2,100; in this same branch of the government stonemasons and plumbers are receiving over $2,000 per year. To my mind this is very unfair to

technical branches of the service, and we should look after these branches immediately or we will lose all the good employees.

Then we come to the Post Office department. The ordinary householder has three persons who call on him every day, the postman, the milkman and the breadman. The milkman and the bread man have a conveyance which takes them from one customer to the other and they work only about half a day, while the postman is loaded down like a packhorse and walks from one house to another carrying c.o.d.'s, stamps, advertisements and everything in general. Some of these postmen carry from 500 to 1,000 advertisements on one delivery; the department receives one cent for each letter from the merchants, and so the postman makes $5 for the government in a morning with the privilege of doing the same thing in the afternoon, but he is not paid nearly so much as the milkman and the breadman.

Then there is the rural mail delivery, where we find mail carriers selling money orders, delivering parcels and advertisements to box holders, delivering registered letters and so on. A rural mail carrier covering a route of perhaps twenty miles receives some $800 a year, out of which he is supposed to keep a horse or two and a rig, and support a wife and family. After covering that route for perhaps ten years with entire satisfaction to everyone concerned, if he does not see eye to eye with the Postmaster General a good supporter of the government may come along and offer to do the work for a dollar a year less, and the friend of the government will get the contract. This is the treatment afforded employees of the Post Office department. In my opinion no civil servant in Canada should receive less than $100 per month.

Now we come to the experimental farm at Ottawa, and to reach it we pass by the carpenter shop of the Public Works department. There we find capable and efficient employees who receive 85 cents per hour for an eight hour day, with statutory holidays off and a two weeks vacation of 88 hours with pay. Then we go to the carpenter shop of the Department of Agriculture, about 200 feet away; there we find another capable and efficient body of employees who receive 72 cents per hour for an eight hour day, with statutory holidays but with no vacation. In other words, if you are working for the Department of Agriculture instead of the Department of Public Works you are penalized to the extent of $1.04 per day in your salary and you are not given a vacation.

Then if we consider the labourers in the Department of Public Works we find that they receive 45 cents per hour for an eight hour day, starting at 8 a.m. and working until 5 p.m. On the other hand, if we consider the farm labourers at the experimental farm we find that they are getting from 32 cents to 40 cents per hour for a ten hour day, starting at 7 a.m. and working until 6 p.m. In other words, if you are a labourer for the Department of Agriculture instead of for the Department of Public Works you receive 20 cents a day less and work two hours a day longer. The argument may be made, of course, that the men working at the experimental farm are often needed urgently; I quite realize that if the weather is good and there is grain standing in the field an extra hour or so is of great value, but that argument does not apply to the men working in the greenhouses where they keep a high temperature in order to force plant growth, nor does it apply to men working on lawns, around shrubs and so on.

I notice also that men employed in the swine, cattle, horse, sheep and poultry divisions of the Department of Agriculture are paid less than they would receive from an outside individual employer engaged in the same work. Last year, while I was attending the Royal Winter Fair at Toronto, I came across a former employee of the experimental farm who was attending the fair in charge of a Guernsey herd from the United States. He was receiving twice the salary he had been paid by the Dominion government and was very much better off in every way. So far as I can see, the only reason why these employees of the Department of Agriculture are not receiving more remuneration is because the Minister of Agriculture is going so fast in his high-powered car that he cannot see them.

I quite believe that the Department of Agriculture is doing everything it can for the agriculturists of this country, but to my mind they could do many more practical things than send out so many pamphlets which the farmers have not time to read, and which, being no more practical than the government itself, are not of great benefit to the farmer. For instance, I suggest that the experimental farm do something practical in order to show the farmer how to handle his produce better; let them show the farmer how to build a root cellar, for example, giving the dimensions and every other detail with the exception of the cost, because a root cellar constructed by the government or by any corporation would cost twice as much as it should and would cost if constructed by a practical farmer.

I listened the other night to a very practical speech on the conditions affecting vegetable production, delivered by the member for West

York (Mr. Lawson). I am heartily in accord with what he said, only I would go one step further: I would put an embargo on all vegetable products imported from the United States which could be produced in Canada. Perhaps I would be told by some people that if that were done the customer would have to pay dearly. But it does not work out in that way, because if the farmer or the agriculturist is making a profit others will come into that line of business and production will regulate prices.

There has been considerable discussion in the house with regard to the tuberculosis test of dairy cattle in restricted areas. A question asked by the member for Sherbrooke (Mr. Howard) on March 14, 1929, appears on page 939 of Hansard, the latter part of which is as follows:

3. As money for this is not available until after the estimates are voted, can anything be done in the meantime?

The Minister of Agriculture answered this question as follows:

3. No. Nothing but wait patiently.

How can the farmers wait patiently? I know farmers in my constituency who have had all their herds slaughtered. What does that mean to the farmer? It means that he loses the revenue from the cattle for the length of time he has to wait for compensation. If a farmer is sending $350 worth of milk per month to a dairy and he is shut off for three months, he loses $1,050. It seems to me that it would be only fair to give compensation to the farmer immediately his herd goes down. If not, his herd should not be tested until such time as the government has the money. When the Conservative government were in power they compensated the farmer to the extent of $150 and salvage for pure-bred cattle; this government reduced that compensation to $100 and salvage. The Conservative government paid $60 per animal and salvage for a grade cow; the Liberal government has reduced that to $40 and salvage. That is the extent to which the government has benefited the farmer.

I would like to touch upon another phase of agriculture—the poultry business. We have gone ahead very rapidly in the poultry business. Our production in 1927, as compared to that in 1911, was increased 226 per cent, and we estimate that the total production of eggs for 1928 will amount to three hundred million dozen eggs. From 1911 to 1927 the per capita consumption of eggs in Canada has increased from 17.5 to 29.26 dozen, which is the largest per capita consumption in the world. These figures would go to show that we could not have better possibilities in the future than right in our home market.

The following suggestions for improving the situation appear in the Canadian Poultry Review of March, 1929:

1st. If we could induce the British government to put on an extensive campaign to encourage larger consumption of eggs in the United Kingdom there would be undoubtedly a place for our eggs, and I believe would be the easiest way to solve our difficulties.

2nd. It being compulsory from now on to stamp all eggs being imported into the United Kingdom, I would suggest that our federal government establish a uniform marking for all Canadian eggs exported to Great Britain.

3rd. I would suggest that our association request our federal government to open negotiations with Australia and New Zealand for the removal of the duty on Canadian eggs entering these countries. During April, May and June the selling price of eggs in Australia and New Zealand is such that without the handicap of duty eggs could be exported from Canada profitably.

4th. Someone has suggested that the marketing of all Canadian eggs through one selling agency in the United Kingdom would prove beneficial. It is argued that we are often bidding against each other for the same business, and a common agency would avoid this. I am not prepared to express an opinion as to the plan. It has its advantages, possibly some disadvantages, one of the disadvantages being that many of us have our own established connections which we might not care to dispense with. If it were possible, however, to have 100 per cent cooperation in this scheme, I believe it would be advantageous.

5th. In Germany before the war, and I believe since the war to a lesser degree, the government, realizing that their only hope of industrial supremacy depended on their being able to trade successfully on all foreign markets, established a bonusing scheme, whereby on certain conditions industries received financial aid from the public purse on exports to foreign markets.

I might mention that the above was the result of a meeting of egg producers which was held recently in the city of Toronto. Eggs coming from the United States at the present time have to pay a duty of three cents per dozen. The following is the result of a conference held by the National Poultry Council of the United States:

After repeated conferences in New England, New York and Washington, the following tariff rates are the ones requested by the tariff committee of the National Poultry Council when presenting its evidence before the ways and means committee of the house. It is felt that on a basis of these rates the poultry farmers of America will receive protection against the unfair competition, especially that from the Orient.

1. Birds, poultry, live, including geese, ducks, turkeys, chickens, guinea fowl; also live poultry not otherwise specially provided for; 10 cents per pound. When imported for breeding purposes, $2 each. Baby chicks, 4 cents each.

2. Birds, poultry, dead, dressed or undressed, including geese, ducks, turkeys, chickens, guinea fowl, and every variety of water fowl or game birds; also all fowl not otherwise specially provided for; 10 cents per pound.

3. Eggs, poultry, in the shell, 10 cents per dozen. Eggs, frozen or liquid, whole eggs, mixed eggs, yolks, albumen, melange eggs, yolks, 12 cents per pound.

To my mind, that would leave the poultry industry of this country in an awkward position. With this duty of 10 cents you have a rise of 7 cents against you before you start. I should like to comment on the large number of baby chicks which are coming into this country from the southern states. We in Canada, both in the provincial and the Dominion departments, are doing everything we can to stamp out diseases. The provincial government should be commended for its stand in connection with the testing of poultry stock for tuberculosis and white diarrhoea, and in only allowing school fair eggs to be purchased from hens which are so tested. This will have a far-reaching influence upon the stamping out of poultry diseases. But there is no use in the provincial government doing this work when the Dominion government permits these southern chicks to come in when they are contaminated with these diseases.

I desire to congratulate the Minister of Agriculture on the purchase of the Booth farm adjoining the central experimental farm at Ottawa. In the house last year I said that I considered that that was absolutely necessary. I also said I thought the government was not going quite far enough, that they should buy the adjoining 180 acres or so to the west of the Booth farm. In his remarks at that time the minister tried to convey the impression that this property was quite a distance from the present experimental farm, but as a matter of fact it is only 66 feet, or the width of the road, from the farm. I really believe, looking to the future, that if this property can be bought at the present time the government are making a mistake in not purchasing it. If that were done the central experimental farm property would be bounded by the Prescott highway, the Ottawa-Kingston highway and the Ottawa sururban road. I wish the minister would reconsider his decision in this matter. I presume the government, seeing that it has demolished so much property in the heart of this city, must be sincere in what it says with regard to the future of this great capital. As a citizen of Ottawa I am glad to see the capital beautified, but we are not so anxious to see it beautified at the expense of the ratepayers. As a local man who lives two miles away from the centre of the city and whose property is not much increased in value by the demolishing of these buildings, I see no special benefit to myself.

I was amused the other day at a remark made by the hon. member for Weyburn (Mr. Young). While the hon. member for Cumberland (Mr. Smith) was making his speech, the hon. member for Weyburn asked: "What has the dairy industry to do with the poultry industry?" I looked up the Parliamentary Guide and to my surprise I see that the hon. member for Weyburn is listed as a farmer. Surely the hon. member must have known better when he asked that question. If he did know better and was asking the question only to take up the time of the house, he could have been more usefully employed in some other way. If he does not know that the poultry industry is very closely associated with the dairy industry, he would be wise, in his Saturday afternoons off, to take a few poultry lessons at the experimental farm.

I should like to place on record a list of the properties that were demolished for park and other purposes by the present government, and the assessments pertaining thereto. The figures are as follows:

Assessment of property expropriated by the Dominion for park purposes, etc.

Wellington street south and Sparks street north, at present demolished:

Land	$256,850
Buildings	55,700
	$312,550

Sparks street south and Queen street north: Russell House block:

Land	$740,450
Buildings	156,700
	$897,150

Bate building, Canal street:

Land	$34,500
Buildings	20,000
	$54,500

Birkett building, Canal street:

Land	$30,000
Buildings	22,000
	$52,000

Ottawa Transportation building:

Land	$18,600
Building	4,500
	23,100

International Paper Company, Sussex st:

Land	$168,300
Building	175,425
	$343,725

The totals are as follows:

Total value of land	$1,248,700
Total value of buildings	434,325
Grand total	$1,683,025

It will be seen that the total assessment amounts to $1,683,025. This may have been of some use to the property owners who sold the property, but to the ratepayers there is a loss in taxes which, on an assessment of this amount, is quite an item. I cannot see what was gained by the demolishing of this property. There might have been some justification for tearing down the first block of property which was demolished, and also the property further along the canal, but I fail to see the justification for demolishing a block such as the Russell House, assessed at nearly a million dollars, thereby tearing down an hotel to make a park when immediately across the street an extension to an hotel was made on a park.

This is all I have to say with regard to the budget. I will close by remarking that the trouble with this government is that its wishbone is where its backbone should be.

Mr. J. F. DESCOTEAUX (Nicolet) (Translation): Mr. Speaker, rising for the first time to address this house, I do so with a sense of diffidence and very hesitatingly. I therefore crave the indulgence of hon. members. Like most speakers who have preceded me, it affords me much pleasure to extend my heartiest congratulations to the hon. Minister of Finance (Mr. Robb) on the budget which he introduced in the house on March the 1st.

Since I have had the privilege of being elected to this house I have observed a good many things and I noticed that our hon. friends opposite have never ceased repeating that the country was not prosperous and especially the farming class to which I belong. While observant of what is going on in this house, I have not been blind to what was going on elsewhere, during my travels through my constituency. In the course of my wanderings, I had the opportunity of ascertaining that the way people live and dress was a proof that comfort, with very few exceptions, exists in all families. Mr. Speaker, governments are very similar to private business firms. If at the end of the year we verify that a surplus exists, and that we have also improved our business or property we have every reason to be satisfied. This also applies to the King government which, each year, announces a surplus, and is moreover able to build and repair our public buildings, dredge our rivers, construct railways, build and repair wharves—a very important matter negelected by our hon. friends on your left, Sir, when they were in power.

I can well state to my hon. colleagues that such a policy deserves the support of the Canadian people.

[Mr. W. F. Garland.]

With reference to agriculture our opponents criticize the government for doing nothing or not doing enough for that industry. I have no hesitation in stating, that no government has taken more interest in agriculture than has the present government. One item which has had an injurious effect on our farmers, is the automobile; it has wiped out horse trading and thereby seriously reacted on the hay market. However, I am glad to note that, to-day, the hay industry has made way for the dairy industry—which is the best revenue producer, for counties remote from cities—and note that through the grading of our milk products, the latter have a high standing on foreign markets.

I find, sir, in Hansard at page 751 the following passage from the speech of the hon member for Wellington South (Mr. Guthrie):

> An order in council was passed by this government, which governs so freely by orders in council, giving to New Zealand the same right to bring her products into this country as was enjoyed by Australia. What has been the result? The Minister of Agriculture has been deluged by requests from dairymen's associations in all parts of the Dominion of Canada asking that this treaty be abrogated. Why? Because Canada is importing from New Zealand about $6,000,000 worth of butter to displace $6,000,000 worth of butter which the Canadian farmers could make in this country and could sell in the markets of this country if they were permitted to do so.

I represent a county of which 90 per cent belong to the farming class, and these rural electors are producers of butter and cheese My political opponents in the 1925 and 1926 election used as their war horse the Australian and New Zealand treaties. Result: I was elected as member for Nicolet by a majority of 3,000. The farmers clearly understand that the prices of butter and cheese always fluctuate with the English market prices. The price of butter quoted by the hon. member for Temiscouata (Mr. Pouliot) as it appears in Hansard at page 862—and which was never contradicted—clearly proves that these treaties in no way affect Canadian butter prices. Nothing prevents the Canadian farmer from producing as much and even more, because on the price established three years ago it gives excellent returns to farmers who look after their cattle.

It is impossible for the government to restrict butter exports, and the farmers have understood the advantages of marketing their butter as it is made instead of storing it for a later date when production decreases. If the contentions are that we have bought $6,000,000 worth of butter, then I state that our exporters have sold $6,000,000 too much butter. That easily explains why we import

butter at a time when we do not produce enough. On that score, the Canadian consumer may rejoice in having always on his table an excellent and fresh supply instead of margarine that was manufactured or imported in 1923.

It is a pleasant task for me to congratulate the hon. Minister of Agriculture (Mr. Motherwell) for having graded our dairy products as well as our fruit and vegetables. But he deserves a special mention for his policy in regard to restricted areas which he has established in various provinces of the Dominion, a policy which is bound to render immense services to society since it tends to curtail the ravages of tuberculosis among our people. This is of great interest to me since one of these restricted areas extends from the southern boundary of the province of Quebec to the St. Francis river.

I note with pleasure that the estimates for agriculture amount to $1,189,075 more than those of last year, this leads me to hope that the hon. Minister of Agriculture (Mr. Motherwell) will complete the work in connection with the restricted areas, and that in a near future one of these areas will include the county of Nicolet or at least extend as far back as the Bécancourt river. I take the opportunity of drawing the attention of the hon. Minister of Agriculture (Mr. Motherwell), to the fact that the indemnity paid for the cattle which react to the tuberculin test is not large enough, especially for the milch cows. The present fixed price cannot be an adequate compensation for what is known as a good milk producing cow.

I now turn to another question. We have clubs of young cattle-breeders in many provinces of Canada. I wish to draw the government's attention to the fact that these clubs have no pure-bred sires. If we want these clubs to succeed, the government must purchase them or grant these clubs a sufficient subsidy in order that they may purchase sires of excellent stock and dams registered in the Golden Book so that the money spent in purchasing calves will not be a loss.

Before resuming my seat, I wish to thank the government for having added to the National Railways that branch line known as the Q.M.S. When this line will be completed it will link up St. Lambert to Levis, crossing the most fertile counties of the province, such as Verchères, Richelieu, Yamaska, Nicolet and Lotbiniere and then link up with the Canadian National Railway at a point which will be decided later.

Mr. Speaker, I shall close my remarks by once more congratulating the hon. Minister of Finance and further adding that I am one of those who expect the King government to do much for the development of Canada. I shall show my trust by casting my vote in favour of the budget and against the amendment of the hon. member for Wellington South (Mr. Guthrie) and also against the sub-amendment of the hon. member for Battle River (Mr. Spencer).

On motion of Mr. Stevens the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.56 p.m.

Tuesday, March 19, 1929

The house met at three o'clock.

REPORT OF COMMITTEE

Sixth report of the select standing committee on railways, canals and telegraph lines.—Mr. Cahill.

AGRICULTURE AND COLONIZATION

MOTION FOR ENLARGEMENT OF REFERENCE WITH RESPECT TO INSPECTION, GRADING AND SHIPMENT OF GRAIN

Mr. W. F. KAY (Brome-Missisquoi) moved:

That it be an instruction to the select standing committee on agriculture and colonization that, in addition to the order of reference dated March 6, 1929, they have power to consider and report on the subject of storage, shipping, mixing, inspection and grading of grain generally, under the provisions of the Canada Grain Act.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, if I interpret this resolution correctly it means that the whole question of the marketing of grain is to be inquired into by the agriculture committee; I take it that the administration of the entire grain act is involved.

The administration of the grain act has been entrusted to one body of men, the Board of Grain Commissioners, and I believe the government to be in full possession of all the facts with regard to the chaos which existed in western Canada during the last grain marketing season. The Board of Grain Commissioners is practically a creation of this government, and since the board is responsible

to the Department of Trade and Commerce the whole of western Canada has been wondering why the government have failed to deal with this problem which brought confusion and loss to the farmers of western Canada last year, and they are also wondering why the government have not dealt with the failure of the board to enforce the provisions of the grain act.

Mr. BENNETT: Would the hon. gentleman speak a little louder?

Mr. EVANS: Mr. Speaker, a number of members are very anxious to hear this discussion, but I can hardly hear my own voice at times.

The whole problem seems to be that the elevator companies have been allowed to use a ticket the wording of which never has been authorized either by the Board of Grain Commissioners or by order in council; there is a line on this ticket which is contrary to the act and which never appeared on any other storage ticket. The ticket says the grain is taken for the Cooperative Wheat Producers Limited, and there is a space left in which the name of the province is to be inserted. Since agriculture was first begun in western Canada there has not been such dissatisfaction with the method of handling grain as there was last year and it all has to do with the right of the farmer to ship his own car of wheat where he wishes to ship it. I do not think anything in our history has shown such a breakdown of our juridical procedure.

In this respect the farmers are in a far different position from that of any other industry in Canada; this business must be carried on cooperatively; our wheat must be transported in bulk through the terminals to the seaboard, and the difficulty has been to preserve the quality of our grades intact until the wheat reaches the markets of the world. The Board of Grain Commissioners is a body of men appointed by the government to administer the grain act in the interests of all concerned; the board is looked upon as having full responsibility for this problem, and is equal in importance to the Board of Railway Commissioners. We believe the board has the power to administer the grain act in all its phases, but it has failed to do that and has allowed the elevator companies to use a form of storage ticket which is not authorized by the act. By this means the board has permitted the elevator companies to set aside the provisions of the act and deny to the farmer the right to ship his own car of wheat to the terminal of his own choice. This has been brought to the attention of the Board of Grain Commissioners many times, but, to the knowledge of any of us here, they have not attempted to rectify the matter or maintain the farmer's right to ship his own car of wheat. The particular section dealing with this matter is section 150 of the Canada Grain Act, known as the Campbell amendment. The government knows how jealously the farmer has guarded this right. Some of us from the west realized the tremendous responsibility placed upon the grain commission and we moved a resolution recommending the advisability of granting an increase in salary.

Mr. KAY: I rise to a point of order: Under standing order No. 38 I think this motion is not debatable.

Mr. SPEAKER: I am not quite sure that it is debatable under standing order No. 38, but I notice there are two motions on the order paper, Nos. 11 and 12, which cover the same question as in the present motion. These motions stand in the names of the hon. member for Willow Bunch (Mr. Donnelly) and the hon. member for Rosetown (Mr. Evans). Under the rules of the house no debate can anticipate a question which is already on the order paper. I would advise the hon. member for Brome-Missisquoi (Mr. Kay) to confer with the two hon. gentlemen in whose names these resolutions stand, and then bring forward his motion. I declare the motion out of order.

THIRD REPORT OF SELECT STANDING COMMITTEE

Mr. W. F. KAY (Brome-Missisquoi): With the consent of the house I beg to move:

That the third report of the select standing committee on agriculture and colonization be concurred in.

Mr. GARLAND (Bow River): I call Your Honour's attention to the fact that you are now asking the house to concur in a report of a committee on which a motion has already been declared out of order.

Some hon. MEMBERS: No, no.

Mr. GARLAND (Bow River): I understand the report to which this concurrence refers is the same report which was covered by the motion already ruled out of order.

Mr. SPEAKER: It is not the same motion; this motion is in order and anyone may speak on it.

Mr. GARLAND (Bow River): What is the motion?

Mr. SPEAKER: The motion is:

That the third report of the select standing committee on agriculture and colonization be concurred in.

Mr. GARLAND (Bow River): What is that report?

Mr. IRVINE: Could we have an explanation of the report?

Mr. RYCKMAN: Read the report.

Mr. GARLAND (Bow River): May I direct Your Honour's attention to the votes and proceeding's of March 14, where we find the following:

Mr. Kay, from the select standing committee on agriculture and colonization, presented the third report of the said committee, which is as follows:—

Your committee recommends that the house do enlarge the order of reference to the said committee, dated March 6th, 1929, by adding thereto authority to consider and report on the subject of the storage, shipping, mixing inspection and grading of grain, generally, under the provisions of the Canada Grain Act.

Do I understand that the debate may proceed on the motion to concur?

Mr. BENNETT: That stood as a notice, at my request.

Mr. SPEAKER: This motion is debatable.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, the thing which concerns us most is the failure of the grain commission to do their duty. Although the government have been in possession of all the facts from the beginning of the present session, and although demands have been made upon them, we have been left in doubt as to what action the government will take. For some reason or other the board have failed in their duty and we are now asking the government to remedy this state of affairs by the dismissal of those who have failed in their duty and place this matter under the supervision of a board which will carry out the grain act in all its phases. The present board have allowed the use of a grain ticket which permits the elevator companies to send a farmer's car of wheat to their own terminal. Through this method the farmers' cooperative concerns are deprived of the earnings which would otherwise be obtained through the handling of the wheat at, say, Fort William. The car of wheat may also be diverted to some milling company which pays a premium for the select grades which they need, based on the milling value and the gluten content which they desire. The farmer's car may be diverted to some mixing elevator where it is mixed with an inferior quality of grain to the very lowest point for which a certificate could be obtained for that particular grade. When the royal grain commission was sitting in Saskatoon, the right of the Saskatchewan farmer to demand that his grain be shipped to a wheat pool terminal, if he so desired, was read into the record. In the case of the pool farmers the Board of Grain Commissioners have taken no steps to maintain the farmers' right in this respect. They have permitted the elevator companies to divert the farmer's cars to their own terminal and they have done this in defiance of the farmer himself and also of the grain act. Section 150 of the grain act gives the farmer this right and under section 225 of the act they have rendered themselves liable, by violating the law in this respect, to the loss of their license.

There is another way in which the farmer loses the intrinsic value of his grain. This is contrary to the grain act and contrary to the Railway Act as well. It came out before the royal grain commission at Saskatoon that ten elevator companies in Saskatchewan have an agreement with the Robin Hood Milling Company and the Canadian Pacific railway officials that they can go and select cars from the Canadian Pacific railway trains at the terminal or divisional points of that railway, sample them and, if they are of the milling quality which they desire, divert them to their own mills. In this way only the poorest quality of grain goes forward for export and it is on this quality that the price is based. This is a direct infringement of the act and one that never should have been allowed There is no doubt in my mind that the grain commissioners knew of this practice.

Mr. STEWART (Edmonton): The car must be diverted after inspection, must it not?

Mr. EVANS: The practice is that an official of the railway company will go with the miller and the samplers at that point, break the seals on the car, and, if the car suits the miller, he diverts it to his own mill. If it does not suit him, the car is again sealed, sent on to the terminal elevator at Fort William or Port Arthur and the grain sent on from there.

Mr. STEWART (Edmonton): This is done after the car is inspected or at inspection?

Mr. EVANS: Not necessarily. I think a test is made by the milling company themselves and it depends whether the grain comes from the district which they prefer.

Mr. STEWART (Edmonton): After the car is sealed and shipped?

Mr. EVANS: After the car is sealed and shipped. The railway companies have been allowing the millers to take the cars which they desire out of their trains at the divisional points. This practice is contrary to the Grain Act and it is such that no other producer in any other industry in Canada would allow. Why should this be practised on the western farmers in this way? We require a complete reorganization of the whole service; we also need a body of men who will carry out the provisions of the act without fear or favour. When our wheat of the highest milling value is filched from our crop by those who are already making unjust profits, the bulk of the wheat is lowered in price on the European market and the miller gets the difference in quality between the cream of the crop and the skimmed grades without paying anything for it, while no farmer receives a price greater than the export price for his wheat or any other produce. A grain commission that allows such practices is certainly incompetent or wilfully neglectful of its duty. I think no such body of men should hold such an important position as that of standing between the grain trade and the farmers to see that justice is done between the two. It is only fair and not unreasonable that we call on the government to remedy this state of affairs. The question does not need to be investigated by any committee; the government is in possession of all the facts. The grain act in this respect is all right. What we need is to have it administered as it is intended it should be.

I find that in a letter to the Board of Grain Commissioners dated October 28, 1927, the secretary of the Saskatchewan wheat pool asserted the right of the farmer in this respect, but in the reply the board maintained the right of the elevator companies to use the ticket I have under my hand, what is known as the "hybrid' ticket. That reply was dated November 9, 1927. In an article by one of the pool officials reproduced in the Western Producer under date of October 13, 1927, there is given the clause in the agreement preserving the right of the grower to his grain in accordance with the grain act and also in a letter written by the solicitor of the Manitoba wheat pool the right of the farmer is still maintained. But from the same letter we find that the commissioner, Mr. Matthew Snow, asserted that the board did not include the objectionable wording in their ticket and never approved it. Later on we find that he had to admit that the board approved the trade using this ticket which contains the objectionable wording.

Many incidents might be quoted, but so that the house will understand the nature of the offence, I will quote just one from my own constituency. Mr. Charles Bell, of Tessier, on November 9 last could not get his wheat out of the local elevator even though he had a special bin ticket and not a "hybrid" ticket. He tendered all legal charges against the wheat in the elevator, but although he had a car already on track to load the wheat, the elevator operator would not load it. Mr. Bell at once wired the Board of Grain Commissioners, but they refused to give orders to the elevator company even in this case where there was no doubt as to Mr. Bell's right in the matter of directing his car to any terminal he might choose. The Board of Grain Commissioners then simply discussed the matter with the elevator company at Winnipeg, the Pioneer Grain Company, who intimated they were willing, without prejudice, to comply with Mr. Bell's demand, reserving to themselves the right which they asserted they had under a contract with the wheat pool. It is a pretty kettle of fish we have here when the Board of Grain Commissioners have to consult a grain elevator company to find out whether they can by any contract or otherwise set aside an act of parliament. This board evidently did not know its duty, and was of the opinion that if any contract existed, an act of this parliament could be rescinded at any time by a grain company doing business in Winnipeg whenever it thought that its interests were being hurt.

There is another outstanding case. Robert Cannon, of Aberdeen, wired the board that a hybrid ticket was used, and Commissioner Snow said that it gave the right to the elevator company to ship the grain to the terminal of their own choice because the grain was taken into storage on account of the Saskatchewan pool. It is no business of any elevator company on whose account it is taken in, and provision for the second name was never made on any ticket approved by the board or by order in council. This means that the Board of Grain Commissioners is allowing the use of a ticket that has not been authorized by itself or approved by order in council. The Board of Grain Commissioners has stated at different times that it had no power to enforce the act in this respect. One of the commissioners attending the annual meeting of the Saskatchewan wheat pool this year declared that he would not enforce the act because of the incon-

venience it would cause to the farmers themselves. The farmers in that case gave the board to understand that they expected it to do its duty, and they would be prepared to stand for any inconvenience that would ensue. The board, under section 225, has full power to cancel the license, and the elevator companies, unless some assurance had been given to them either by the Department of Trade and Commerce or by the board itself, knew and must have known that they were using a ticket which rendered them liable to have their license cancelled.

I do not want to speak at any length on this question. I think I have already given the house sufficient information for it to appreciate that nothing can be gained by prolonging this matter, and we expect now that the government will do its duty. These practices have too long been going on in western Canada. The filching of our cars for mixing purposes and for milling purposes in western Canada is a direct loss to the farmer. This cannot go on for ever, although it does seem that the farmer in western Canada seems to be fair game for plunder by anyone that can get away with it. I say again that the duty of the government in this respect is plain, and we expect the government to do its duty.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): It is quite evident, Mr. Speaker, that the desire of the agriculture and colonization committee was that the very matter which my hon. friend from Rosetown (Mr. Evans) has brought up, and other matters pertaining to the grain act, should have the fullest discussion in committee in a manner in which they could not be discussed in the house. My hon. friend is quite within his rights in calling on the government to correct certain evils which he states exist in connection with the administration of the act, and it is the desire, not only of the government, but I think of this whole parliament, which unanimously last year passed certain amendments to the grain act, to rectify any evils which may exist. I am not desirous, without preparation, of going into the discussion of a matter which I think should be reviewed in committee, and in order to receive time for preparation there is only one thing I can do if it is proposed that this debate shall go on, and that is to move the adjournment of the debate, which I now do.

Mr. GARLAND (Bow River): I take it, Mr. Speaker, that this motion is not debatable.

Mr. SPEAKER: It is not debatable.

Mr. GARLAND (Bow River): Under those circumstances, we shall have to vote against the motion.

After Mr. Speaker had called for the Yeas and Nays:

Mr. SPEAKER: Call in the members.

And the members being assembled:

Mr. GARLAND (Bow River): Since Your Honour invited the members to be called in I have had a conference with the Minister of Trade and Commerce (Mr. Malcolm) and the leader of the opposition (Mr. Bennett), and have ascertained that my viewpoint was not correct. I understood that the motion to adjourn the debate meant an indefinite postponement.

Some hon. MEMBERS: No.

Mr. GARLAND (Bow River): Order, please. I now find that the Minister of Trade and Commerce is quite willing that the debate shall be proceeded with to-morrow on "motions". Under these circumstances we may be able to avoid the necessity for a vote.

Mr. SPEAKER: Is it the pleasure of the house that there be no division?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Motion agreed to.

CRIMINAL CODE AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 81 to amend the criminal code.

Some hon. MEMBERS: Explain.

Mr. LAPOINTE: I only hope, Mr. Speaker, that the bill I am going to introduce under such happy circumstances will meet with unanimous approval, although I have some doubt as to this. This bill is similar in form to the bill that has passed this house three or four times in preceding sessions. Its purpose is to repeal certain sections of the criminal code which were enacted in 1919 concerning sedition.

Motion agreed to and bill read the first time.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY

On the order:

Introduction of bills—Mr. Church—bill intituled: "An act to annul an order in council relating to the Beauharnois Light, Heat and Power Company."

Mr. SPEAKER: The hon. member for Northwest Toronto (Mr. Church) has left this note with me:

I wish to drop my Beauharnois motion.

There is no division.

INTERIM SUPPLY BILL

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, as we are approaching the Easter holiday and are near the end of the fiscal year, it has been suggested that to carry on the public service we should vote the usual interim supply. Therefore with unanimous consent I beg to move that the house go into committee of supply.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. ROBB moved:

Resolved that a sum not exceeding $20,454,936.78, being one-twelfth of the amount of each of the several items to be voted as set forth in the main estimates for the fiscal year ending March 31, 1930, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending March 31, 1930.

Resolution reported, read the second time and concurred in.

Mr. ROBB moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1930, the sum of $20,454,936.78 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 82 for granting to His Majesty a certain sum of money for the public service of the financial year ending March 31, 1930.

[Mr. Lapointe.]

Motion agreed to and bill read the first and second time, and the house went into committee thereon, Mr. Johnston in the chair.

Sections 1 to 3 inclusive agreed to.

On the title.

Mr. BENNETT: This is, of course, without prejudice to our right to discuss these items and must not be taken as acquiescing in the soundness of judgment of the government in voting this sum of money, being one-twelfth of the total of the public service portion of the supply bill, amounting to $20,000,000.

Title agreed to.

Bill reported, read the third time and passed.

VALUE OF CANADIAN DOLLAR

On the orders of the day:

Mr. WILLIAM IRVINE (Wetaskiwin): I wish to direct the attention of the Minister of Finance (Mr. Robb) to a question based upon two sentences which I will quote from Commerce and Finance of March 13:

Canada shipped $1,500,000 gold and, were a free gold market operative in the Dominion, doubtless would have sent much more since Canadian dollars are quoted at a big discount. Canada is evidently resorting to extraordinary measures to keep her remaining gold reserve.

Is the Canadian dollar at a big discount, and is the Minister of Finance resorting to extraordinary measures to retain a gold reserve? And, if so, why?

Hon. J. A. ROBB (Minister of Finance): The answer to both questions is no.

THE GOLD STANDARD

Mr. H. E. SPENCER (Battle River): May I ask the Minister of Finance whether Canada is on a free gold market?

Hon. J. A. ROBB (Minister of Finance): We are on a gold basis.

THE BUDGET

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

The house resumed from Monday, March 18, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Hon. Hugh Guthrie, and the proposed amendment to the amendment of Mr. Spencer.

Hon. H. H. STEVENS (Vancouver Centre): The house a moment ago anticipated a few words which I wish to utter and in which I know there will be general concurrence, and that is in welcoming back to our midst the hon. the Minister of Justice (Mr. Lapointe). We all, I am sure, express the hope that the minister will experience a complete and absolute recovery from his illness. The Minister of Finance (Mr. Robb) will please accept these kind words to the Minister of Justice in place of encomiums upon him and his budget.

Canada, from an administrative standpoint, is considered among political economists to be a somewhat difficult country to govern. The large spaces, the great distances, the paucity of population and the diversity of interests frequently found in widely separated sections of the country constitute difficulties which challenge the very best statesmanship possible. There are in my opinion two types of policy to be pursued, or two methods of approach to the task of governing Canada. On the one hand there is the broad general point of view which, while making reasonable allowances for the diversity of interests of groups here and there, yet keeps constantly in the very forefront of consideration the great potentialities of Canada and the possibility of utilizing these so as to build up an almost invincible economic unit. On the other hand, there is the method which takes advantage of the diversified and, in some instances, conflicting interests and by subtle adjustment of administrative measures wins to its support interests here and there and holds the votes of districts and communities by favours offered, at the same time keeping divided the opposition to the administration. This is in a sense a Napoleonic policy—divide and rule.

The fathers of confederation achieved by their splendid work a great political unit; they brought together the scattered elements in this country and formulated a political organism or unit. But they left to succeeding generations the important task of welding these various scattered groups and interests into one economic entity. Some rather hold that the diverse interests in Canada doom the Dominion to be continuously and forever sharply divided in her interests; in other words, they hold that the agricultural west cannot work in harmony with the industrial east. I believe this to be an entirely false economic doctrine. I hold rather to the view that one is the complement of the other. Unquestionably there are bound to be differences of opinion regarding administration, regarding laws and policies, regarding the direction of trade and so forth; regarding such questions there are bound to be sharp cleavages of opinion. Nevertheless a broad and generous view of the country's possibilities will lead one to the conviction that we can make out of this great Dominion an economic unit prosperous and successful, and of advantage to all its varied interests.

I pause for a moment to ask this question, which I suggest should be kept constantly in mind when we consider the problems of this vast country: what country on the globe has greater potentialities than this Dominion? For instance, geographically it touches both the great oceans, facing on the west the Orient with its new awakening industrial, economic and commercial life, and, on the east, in intimate touch with the Old World and its older civilization and its more advanced economic and industrial communities. In between the two extremes are the vast material resources of the Dominion. It is unnecessary for me to name them; merely to mention the fact immediately brings to the vision of every hon. gentleman some idea of the vastness of these resources. Our climatic conditions are such as to breed a virile race; there is no room in Canada for the drone. In some countries such as the southern part of the United States and equatorial countries there is a lassitude, an indifference, a lack of enterprise and a tendency to loaf which enervates the life of the community, but in this country the whole tendency of climatic conditions is to spur a man on to greater activities. Then in regard to power, which is of immense importance, we are wont to say that this country has illimitable power possibilities.

So, then, what is wrong with the country? Some will say that nothing is wrong. I quite agree that nothing is wrong with the country as such, but unquestionably one could not listen to this debate, for instance, without realizing that there is something the matter, that there are problems still unsolved, that there are questions challenging the attention of this parliament which must receive attention and for which there must be some solution. It would appear, Mr. Speaker, that we have in Canada all the elements necessary to make a great people but that we lack the capacity to take advantage of these elements and of them weld a great industrial, economic, social and national whole. Just in passing I think I can illustrate what I meant when I said a moment ago that in some respects governments may choose the path, when I draw attention to the hon. member for Lisgar (Mr. Brown), the hon. member for Marquette

(Mr. Glen) and others of their associates who sit in support of the ministers, giving loyal and consistent support to the government, although those ministers hold views on economic subjects entirely different from the views held by the hon. members. Then there is the Minister of Immigration (Mr. Forke), for example, sitting in the same seat with the Solicitor General (Mr. Cannon). Can one imagine two individuals with more divergent economic outlooks? Yet they are sitting in the cabinet together, and what is the situation? I presume that the gentle dropping of words of political advice, political wisdom and political experience by the Solicitor General into the ear of the Minister of Immigration has gradually worn away his resistance and his conscience, like the dropping of water upon the hardest stone, so that now he is able to look with equanimity upon a complete violation of his economic views. That was what I meant a moment ago when I said there is a possibility of governments in Canada seeking to hold power by placating groups here and there, but the question I ask is whether such a process and such a method is in the best interests of the country as a whole.

Now, Mr. Speaker, for a moment or two I wish to discuss two of what I think are the major problems facing this country, and the first is the problem of population which is challenging if it is not actually defying this government, and I go further and say it is challenging this parliament. This persistent shrinkage of our population is appalling; I repeat that the constant shrinking of the population of Canada is a challenge to this parliament. From 1921 to 1928 we lost, in numbers, all the immigrants who came to Canada and in addition 240,000 of our native born. I have the figures before me, and if necessary I can take them back to 1901. For the comfort of the Minister of National Defence (Mr. Ralston), who twitted my colleague a day or so ago because he selected trade figures which were peculiar to this administration, although after all the government of this country is across the way and it is our duty to present to parliament the conditions as they exist at present, I want to say that I am not denying that this problem of population is not peculiar to this government, but I am able to say from these figures that this problem has been aggravated during the time this government has been in office. At this time I want to bring forward this problem as a challenge to parliament and to the government as the leaders of parliament, those who have the responsibility of administration and who must take cognizance of the problem so presented.

What are the figures? In 1921 the census showed a population of 8,788,000; from 1921 to 1928, we had 962,000 immigrants come to Canada; in that same period the births numbered 1,939,000, making a total of 11,689,000. If we deduct from that figure the deaths, which numbered 824,000, we have left 10,865,000 people. If the immigration policy of this country had been wise and successful we should have in Canada to-day, including our natural increase, 10,855,000 souls, but what is our poulation according to the Bureau of Statistics? Our actual population is 9,655,000, and if we deduct that from the figure I gave a moment ago we have an actual shrinkage of 1,200,000 people in the last six or seven years. This is not a question of juggling figures; it is a cold fact confronting this country.

Mr. DUNNING: No.

Mr. STEVENS: I am also glad to see the Minister of Railways in his seat, at least partially recovered from his illness; he shakes his head and says no. That is a habit of his. Does he question my figures?

Mr. DUNNING: Certainly.

Mr. STEVENS: Then I can only refer the minister to the Department of Trade and Commerce, from which I obtained every one of the figures I gave. If the only answer to the presentation of a problem is to simply say that the figures are wrong, and if one takes the precaution of securing his figures from the Bureau of Statistics and then checking and cross checking them, what more can a man do?

Mr. DUNNING: I just want to say that for one comparison my hon. friend is using a definite figure from the census of 1921, and in the other case he is using what is admittedly and what is stated by the department to be an estimate.

Mr. STEVENS: Quite so, but will the minister say that the Bureau of Statistics are out 1,200,000 in their estimates? I will admit that the estimate is not exact; I queried that very point myself and they told me this was their very best estimate, based upon the quinquennial census of the prairies in addition to the information which comes to them from their usual sources throughout the country.

However, the minister is taking this in the wrong spirit. Let me put the problem to the house again. These figures, which are issued by the government, show a shrinkage

in population of 1,200,000 people; our total immigration was less than 1,000,000, so we have a shrinkage of 240,000 of our natural born, and that is the problem I put to this parliament. The government can wash its hands of the problem if it so desires, but I invite parliament itself to consider what I believe to be the chief problem facing the country to-day; that is, this abnormal shrinkage in population.

Mr. FORKE: I do not wish to interrupt my hon. friend, because I know his time is short, but has not that same problem faced the country since 1830?

Mr. STEVENS: I have already stated, and I want to make it quite clear, that this is not a situation peculiar to the tenure of this government, but it seems to have been aggravated and it seems to be increasing. This situation seems to be aggravated; for instance, the figures for 1901—that is the earliest I could obtain—show a shrinkage of 2,461,000, whereas immigration amounted to 2,691,000. There was a slight gain made by the immigration there, but for the last eight years we find that we have had not only a complete loss of our immigration, but 240,000 in addition. These figures are alarming and they challenge the attention of parliament; some consideration should be given to them. Governmental indifference is in a measure responsible for this situation. There has been a lack of appreciation of the problem and a refusal to admit the existence of difficulties.

When the Minister of Trade and Commerce spoke on the budget the other day—evidently put up by the government to be one of those to reply to the hon. member for South Wellington (Mr. Guthrie)—he had something to say on this subject as it related to the farming industry. The attention of the government had been called to the fact that there had been a serious drop in farming production and in the activities of agriculturists. Indubitable evidence was brought forward, and the minister in replying to that evidence said:

> I contend, Mr. Speaker, that there is absolutely no loss to the dairying industry because our farmers are milk producers in other forms.

If the dairying industry has gone into other forms of production, why cannot that be done out of an increased production of milk? With complete complacency the minister says: There is nothing wrong with the dairying industry; it is true they have not made as much butter, but they made more condensed and powdered milk. But the answer to that is this: No country in the world should be going forward with greater strides than Canada, but the minister is satisfied if he can discover that we are merely marking time. It is a startling situation when we realize that the production of the dairying industry fell off 500,000,000 pounds of milk. We should have advanced more than 500,000,000 pounds of milk. It is a serious thing for Canada when we realize that the dairy herds have decreased by 101,000 animals, while there has been an increase in the herds of New Zealand of 57,000. This problem challenges the attention of the government and it cannot stand idle unless it is going to be false to its simplest duties.

We have heard from hon. members opposite about the prosperous condition of this country. I am not going to suggest that there is not a large measure of prosperity in Canada, but I would invite the house to consider the fact that a large measure of the prosperity is merely a reflection of the profits made by Canadians in stock operations on the New York stock exchange. I am unable to give the exact figures in this regard because I found they were not available from the records of the Federal Reserve bank. I am not reflecting on those who did succeed in their operations, I say, "God bless them," but we must not overlook the languishing condition of a basic industry of this country. When we consider how the production has fallen off there is very little comfort in the fact that certain persons and groups have made money on the New York stock exchange.

Mr. ROBB: Some of them suffered losses.

Mr. STEVENS: I do not play the market myself, but the evidence on the financial pages of every newspaper in the country would go to show that the losses during the past few years have been very slight as compared with the so-called winnings, if one can use the gambling term.

I would also direct the attention of the government to the question of trade. When the Minister of Finance was presenting his budget the other day, he used these words:

> It is gratifying to note the steady development of inter-empire trade.

If the minister has an opportunity at some future time I trust he will give us an explanation of these words in the light of the facts which I shall present. The minister continued:

> Canada, the pioneer of the British preference, looks on empire trade as the keystone of its external trade policy—

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: Some hon. members are saying "Hear, hear", but I want them to keep this in mind. To continue:

—and desires in every way to foster closer trading relations throughout the British commonwealth of nations.

Are those words sincere? Does the minister really mean what he said? They were given as the views of the government, and I recognize the language of the Prime Minister (Mr. Mackenzie King) in some of the paragraphs. If they are sincere they should show a lower average duty on imports from the United Kingdom; they should show a larger proportion of free goods from England than previously; and they should show an increasing ratio of trade expansion. I will submit some figures which will show how the key-stone works. I am afraid it will be seen that the key-stone is wobbling in its place.

The figures of the Department of Trade and Commerce show that the average duty on imports from the United Kingdom for the six years 1922 to 1927 was 19·1 per cent. The average duty for imports from the United States for the same period was 13·3 per cent. The average duty on imports from all countries was 15·7 per cent. These figures will be found on page 500 of the Canada Year Book if anyone should desire to check them. The average duty on imports from the United Kingdom was 6 per cent higher than the average duty on imports from the United States, and four per cent higher than the average duty on imports from all countries. It may be argued: What is the use of quoting the average percentages of duty? If there is a lowering of the duty rate, it is true there may be an increase in revenue but there should be a lowering in the percentage of duty as applied to imports. What are the facts? In order to be perfectly fair in this matter I will give the figures from confederation down to the present time. These are the figures:

	Imports from United Kingdom
Dutiable goods..	$3,400,000,000
Free goods..	993,000,000

Average rate of duty, 20 per cent.

In other words during all that period 22½ per cent of the goods that came in from the United Kingdom were on the free list. I give the same figures for the United States:

	Imports from United States
Dutiable goods..	$7,500,000,000
Free goods..	5,700,000,000

Average rate of duty, 13.2 per cent.

Mr. DUNNING: Over what period?

Mr. STEVENS: Over all the period of Canada's history from confederation down to the present time. Let me turn to the record of this government from 1923 to 1928 inclusive. These are the figures:

	Imports from United Kingdom
Dutiable goods..	$901,000,000
Free goods..	205,000,000

Or only 18 per cent free.

	Imports from United States
Dutiable goods..	$2,502,000,000
Free goods..	1,797,000,000

In other words, during the last seven years 42 per cent of the goods we imported from the United States were admitted free of duty. Let us compare the totals. The totals for the whole period since confederation are as follows:

	Imports
From the United Kingdom.	$ 4,400,000,000
From the United States..	13,300,000,000

In other words, six times as much free goods entered this country from the United States as from Great Britain. I ask where the key-stone of the foreign trade of this country is. I ask the minister: Where is the enthusiasm on the part of the government for the up-building of empire trade?

Mr. SMITH (Stormont): Are the imports from the United States not largely raw material for further manufacture?

Mr. STEVENS: No, the situation is exactly the opposite. There are some hon. members who hold the view—and it is the old Adam Smith view—that if you want to sell your goods, you have to buy goods. I have often heard that from hon. gentlemen opposite and from some of my hon. friends to my left. I ask them sincerely and earnestly to consider the figures. Since confederation we sold to the United Kingdom $12,500,000,000 worth of goods, while during the same period we sold to the United States only $8,500,000,000 worth of goods. In other words, we sold 50 per cent more to the motherland than to the United States. On the basis of this so-called Adam Smith theory of trade I ask this of my hon. friends: Is it not time that parliament addressed itself to the problem of buying goods where we sell them? Let us remember that in the same period we bought from Great Britain only $4,000,000,000 worth of goods or one-third of what we sold them. We are just $8,000,000,000 behind in our purchases from Great Britain. On the other hand we are just $5,000,000,000 ahead in our purchases from the United States. To show that this condition is increasing in its adverse influence

upon British trade, I can quote the figures of the United States. During the years 1923 to 1928 our total purchases were as follows:

From the United States. ..	$4,300,000,000
From Great Britain..	1,100,000,000

In other words our purchases from the United States were four times as much as from Great Britain.

Mr. ADSHEAD: Is it not a fact that we purchased all we needed from Great Britain and the balance went to pay our debts in the United States?

Mr. STEVENS: I see the hon. member for Lisgar (Mr. Brown) taps his desk a little timidly. I might as well interject this at this point. The excess of our trade with the United States amounting to $5,000,000,000 is represented in $4,000,000,000 of investments in this country. In other words, when we speak of the great investments of the United States in Canada amounting to $4,000,000,000, we ourselves have overpaid that by $1,000,000,000. It is our own money that the United States is investing in Canada. I am not going to labour that point further, but I put to the house this problem as one of the problems challenging the attention of Canada: if we are going to continue this process of trade and purchasing, we are going to make Canada an economic vassal of the United States. If we persist in this course, there is no other outcome for us. I think it is about four years ago, speaking on the budget, I took even a more analytical form in presenting similar figures and I concluded my remarks then with this observation to the Prime Minister. I said: If the policies of the right hon. gentleman are persisted in, he will deliver Canada shackled and bound economically into the hands of the United States. I now bring forward additional figures to show that the progress in that direction is, if anything, accelerated.

There is more that I would like to have said, but I shall have to cut a good deal of it out. The Minister of Trade and Commerce offered, as his answer to the contention that conditions in this country were perhaps not all that some held they were, that car loadings in Canada were some 846,000 cars over what they were in 1923. He used these words:

> It cannot be otherwise than that this increase in tonnage has helped employment in the transportation systems.

He left it at that. What are the facts? I get this from the Bureau of Statistics as well as from the railway board and I hope the minister will not challenge my figures. The number of employees in the transportation business were as follows:

1923..	178,000
1928..	176,000

Or 2,000 less than in 1923. Yet the minister came before parliament and said that, because there was an increase in car loadings, there was an increase in employment in the transportation systems. What is the explanation? It is a simple one and parliament ought to know it. We have passed through parliament from year to year large sums of money for the purchase of new locomotive power for the Canadian National; the Canadian Pacific has done the same thing, and to-day they are hauling trains of 100 or 125 cars whereas a few years ago they hauled probably 50 or 60 cars. The result is an actual falling off in employment in that branch of activity. I am not criticizing this; I am saying it because the government comes before parliament and says that because there is an increase in car loadings, ipso facto there is an increase in employment in that branch of activity.

I said a moment ago that there were two types of policy that might direct the affairs of this country. One is a broad, comprehensive policy that keeps constantly in mind the vast potentialities of Canada. I wish to cite just a few of the milestones in Canadian history and I invite the house to consider the fact that every one of those milestones, each one of which called for broad vision, was brought about under Conservative administration.

Confederation was inspired and directed not wholly but largely by the Conservatives; they at least took the initiative in it.

Take the western territories and the organization of the Royal Canadian Mounted Police—the Canadian Pacific railway—

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: Some laugh. That was introduced by a Conservative government and was opposed bitterly by the Liberals of that day. The road was said to be incapable of earning the axle grease necessary for the trains, and yet to-day it is one of the greatest, if not the greatest, institution in the world, with its steamships running to all quarters of the globe and its railway lines penetrating every corner of this country—an institution that has done more to advertise Canada perhaps than any other agency that we have, whatever we may think of it.

Then there was the national policy of 1878. I am not going to argue that; I simply say

that it was introduced as a result of a large vision of the needs of the country at that time.

Then there was the conduct of Canada's part in the Great war. There may be divisions of opinion and schism in regard to this, but the conduct of that great war by this country was an almost superhuman task, and, Mr. Speaker, there are men who broke under the weight of that responsibility, and no wonder. Nevertheless, that great task was conducted by a Conservative administration.

Then there was the foresight shown in opening up the St. Lawrence river and the making of the little eight-foot Welland canal into a big ship canal; the opening of navigation through the Soo from lake Superior to the ocean, and bringing what was then a great unpeopled west in touch with the seaboard. That task was undertaken by a Conservative administration.

Then there was the co-ordination of the Canadian National railway system. Well I remember the bitterness with which that was opposed. I want to say here that it was one of the most mammoth undertakings ever attacked by any government or any parliament, and it was due to the former leader of this party that that great task was successfully accomplished.

The system of trade commissioners, of which the Minister of Trade and Commerce is to-day so justly proud, was introduced by Sir George Foster when he was Minister of Trade and Commerce.

Then there was considerable of what might be called social legislation. There was a vote of $10,000,000 for technical education, aid to which is now rejected and refused by the government, which has set up in this country a magnificent system of technical education, giving our young lads and our young girls a chance in the growing industrial activities of this country. Aid to technical education is now coldly rejected by this government.

Housing. There was a time immediately after the war when the housing problem in this country was acute. The Conservative government set aside $20,000,000 to help solve the housing shortage.

Aid to highways. One of the most necessary things in this country is a highway to link up the different units of confederation. One of the biggest things that could be undertaken by parliament is the opening up of a national highway to unite this great country. The Conservative government appropriated $25,000,000 for that purpose, and started the work. The work was well done and the money well spent, but there ar certain gaps remaining.

[Mr. Stevens.]

Civil service reform. The basis of whatever benefits the civil servants now enjoy was given to them by a Conservative government.

Mr. MARCIL: Will the hon. gentleman allow me a question? He spoke of technical education and civil service reform. Both of these measures were introduced by the Liberal party, under Sir Wilfrid Laurier.

Mr. STEVENS: No, certainly not. The hon. gentleman is not strictly correct. Sir Wilfrid Laurier, in 1910, appointed a commission, but I have not time to go into that.

Aid to agriculture—

An hon. MEMBER: And votes for women.

Mr. STEVENS: Yes, and we extended the franchise to women. We provided for seed grain advances, and some of our friends from the prairies will realize what a great benefit that was to the farmers.

The original national parks scheme—

Some hon. MEMBERS: Time.

Mr. STEVENS: The Speaker is in the chair, and if hon. gentlemen will allow him to call time, he will do it at the proper time.

The Conservative government introduced measures for the establishment of national parks. The Conservative government created the fuel board, but it has been allowed to languish under Liberal rule and nothing to any extent has been done since this government came into power.

These are some of the milestones, Mr. Speaker, in Canadian history, and it was because of breadth of vision and foresight that these great things were inaugurated under Conservative administration, and to my mind, sir, that is what is required to-day to cope with the embarrassing problems that are now facing us.

Miss AGNES C. MACPHAIL (Southeast Grey): I sometimes think that Canada suffers greatly from an inferiority complex, but evidently it has not infected the Conservative party. I greatly enjoyed the speech of the hon. member for Vancouver Centre (Mr. Stevens). He always speaks clearly and well, but I am astounded that in this enlightened day he should claim credit for the Conservative party for giving the franchise to women. I do not know of anything more scandalous except the War Time Elections Act, of which it was a part, than the manner of granting of the franchise to women in 1917. Does the hon. member for Vancouver Centre and his party not know that it was the starvation and the fighting and the going to

jail and the forcible feeding suffered by the suffragettes of Great Britain, and to a lesser extent of the United States, that gave the franchise to the Canadian women?

Some hon. MEMBERS: Oh, oh.

Miss MACPHAIL: Hon. members do not show good sense in laughing at that. It is true; it is not a thing to be laughed at. The Conservative government—they called themselves the Union government—gave votes to women in 1917, but not to all women. That would be too risky, and I have noticed that the Conservative government and the Union government did not take many risks; in fact, governments, no matter what kind they are, do not take many risks, and so the Conservative government did not give votes to all women.

Mr. McGIBBON: They gave them to those who were qualified.

Miss MACPHAIL: The hon. member for Muskoka-Ontario (Mr. McGibbon) can make his own speech. They gave votes to women who they thought would vote for them at that particular time, and their guess was good. They gave votes to some women, not to all women, and not because they were intelligent, but because they had a husband or a brother or a son fighting at the front. Whether war time or not, it was a very stupid way of extending the franchise to women.

Mr. HANSON: You were not qualified, that is all.

Miss MACPHAIL If my hon. friend was, I have no apologies to offer because I was not. In 1921 for the first time, women voted, and I am very glad to say that 1921 brought me here. I am sorry that more did not come with me.

To talk for a moment of prosperity, it is true, as almost every speaker has said, that there is a degree of prosperity in Canada, but that prosperity to my mind is spotty, it is felt only by certain classes, and by the classes, by the way, who need it least. We live in a spending age. People want to buy things whether they can afford them or not, and business wanting to help them buy because business, quite rightly, wants to sell, has instituted the instalment plan of buying. We buy stocks on margin. People to-day borrow from the banks to a degree never thought of ten or twenty years ago, and when they borrow from the bank it is written down in bank's books as a deposit. Yet everybody will admit that wealth has not increased by that act of borrowing. The use of automobiles and their rapid replacement has released a very great deal of credit. Possibly the savings of the last generation have been spent, as well as what has been earned in this generation, and in addition, the months and years that lie ahead of us have been mortgaged in many cases to purchase these things. I do not call that very real prosperity. Yet there has been some real prosperity, and I would not want to appear to pass over it. The mining industry has really developed. New fields for agriculture have been opened up, either through a more intensive agriculture or the opening up of new territory, and that is real development.

I want to show the house—and I will have no difficulty in doing so—that farming is not one of the industries participating in the prosperty that is being so much talked about. If the government reads its own publication, Sixty Years of Canadian Progress, published by the Department of Trade and Commerce, it will find that there must be an investment of seven dollars to produce one dollar annually in agriculture; while an investment of three dollars will produce better than two dollars annually in the manufacturing industries. The full figures will be found at pages 60 and 89, but I will not quote them now, having dealt with them last session. I need not say that capital and labour are leaving the land, they are fighting shy of it, because it does not pay the return on either capital or labour that almost any other industry does.

I have before me a statement compiled by and for the life insurance companies of Canada to show that they had better not continue investing their funds in rural mortgages. With the consent of the house I shall be glad to put this table on Hansard. The figures show that in 1926, $73,086,916 was invested in rural mortgages, and the loss was $1,313,810. The amount of money invested in urban mortgages was $192,264,998, and the loss only $256,015. That is, with two and three-quarter times more invested in urban property the loss was only one-fifth the loss on rural property. The figures for 1927 show a little improvement in both agricultural and rural property, but the proportions are about the same. I place these tables on Hansard:

1926

ALL INSURANCE COMPANIES—FARM MORTGAGES

Province	Book value Dec. 31, 1916	Amount of loans on which interest has been overdue one year or more at Dec. 31, 1926	Total amount written off mortgages or foreclosed real estate and loss on sale of foreclosed real estate during 1926
Alberta	$ 16,830,397	$3,360,334	$ 941,996
British Columbia	355,583	68,985	13,482
Manitoba	13,918,771	2,888,800	158,694
New Brunswick	800	.....	.....
Nova Scotia	.....	.....	.....
Ontario	1,727,150	45,444	457
Prince Edward Island	27,800	.....	.....
Quebec	105,173	15,902	.....
Saskatchewan	40,121,242	3,556,590	199,181
	$ 73,086,916	$9,936,055	$1,313,810

ALL COMPANIES—OTHER THAN FARM MORTGAGES

Alberta	$ 6,213,927	$ 251,266	$ 115,088
British Columbia	11,987,084	100,901	76,352
Manitoba	22,407,770	590,034	10,968
New Brunswick	298,291	.....	.....
Nova Scotia	700,881	.....	34,316
Ontario	85,983,981	307,999	10,276
Prince Edward Island	7,700	.....	.....
Quebec	57,974,044	333,138	.....
Saskatchewan	6,691,320	84,904	9,115
	$192,264,998	$1,668,242	$ 256,015

1927

ALL INSURANCE COMPANIES—FARM MORTGAGES

Province	Book value Dec. 31, 1927	Amount of loans on which interest has been overdue one year or more at Dec. 31, 1927	Total amount written off mortgages or foreclosed real estate and loss on sale of foreclosed real estate during 1927
Alberta	$ 16,980,217	$2,560,992	$ 953,461
British Columbia	323,183	52,178	.....
Manitoba	14,069,512	2,539,689	239,636
New Brunswick	830	.....	.....
Nova Scotia	.....	.....	.....
Ontario	1,849,927	59,180	1,708
Prince Edward Island	35,000	.....	.....
Quebec	102,459	15,938	.....
Saskatchewan	40,512,646	3,313,889	363,299
	$ 73,873,774	$8,541,866	$1,558,104

ALL COMPANIES—OTHER THAN FARM MORTGAGES

Alberta	$ 6,780,585	$ 251,817	$ 77,201
British Columbia	17,557,801	154,878	14,114
Manitoba	25,875,126	847,622	93,936
New Brunswick	280,737	.....	.....
Nova Scotia	611,753	.....	.....
Ontario	101,214,655	285,762	35,117
Prince Edward Island	7,700	.....	.....
Quebec	71,573,584	10,000	179
Saskatchewan	8,970,460	73,407	6,508
	$232,872,401	$1,623,486	$ 227,055

I think many of us have read the articles written by Mr. E. C. Drury in MacLean's magazine dealing with farm conditions. In one of these articles—I do not have the date of its appearance; I made this extract at the time—he stated:

> No farmer can stay on the farm and maintain the same standard of living at the present time as, for instance, those in other businesses. Others are not cleverer, because we are continually filling their ranks with sons of the soil. Considering capital plus labour—farming pays less than any other calling.

I do not think Mr. Drury was overstating what is a well-known fact. To-day one can scarcely sell farm land in many counties in old Ontario. If a sale is effected it must be for the value of the buildings or the value of the land, for certainly the owner will not get the value of both. If farm lands in old Ontario could be sold readily, at least one-half the farms would change hands overnight. It really boils down to this, that the farmer pays more for every service he needs than he receives for the service he renders.

In the Canadian Countryman for February 9, 1929, the editor has worked out a table that will no doubt interest hon. members. I have not time to go through it in detail, but he compares the increased wages of men working in the building, metal, printing and miscellaneous factory trades since 1913 with the increased prices of farm products during the same period. He reaches this conclusion:

> A comparison of this table with the one given previously shows that while people engaged in building trades are getting approximately $1.79 for every $1 they received before the war, farmers are only getting $1.26 in the case of hogs, and $1.44 in the case of eggs, and illustrates clearly the disparity between what farmers earn and what very large numbers of city people earn.

And he proceeds to say:

> If farmers received as much for their products as people engaged in miscellaneous factory trades receive for their labour, instead of the price of creamery butter being 40 cents it would be 58 cents per pound; eggs would sell for 54 cents per dozen instead of 38 cents per dozen; wheat for $1.94 instead of $1.32 per bushel; oats for 80 cents instead of 53 cents per bushel; butcher steers for $14 instead of $9.65 per hundred; and hogs for $18.20 instead of $11.50.

But it is not only in labour that the farmer is paying more than he receives—and do not misunderstand me. I do not want labour to get less, rather I want farmers to get more. I am not one of those farmers who want to see cheap labour, and I am not advocating cheap labour—but, I say, it is not only in labour that the farmer pays more than he receives. When he pays for medical services he pays a very, very high rate. One major operation, one long sickness, and he may lose his farm in meeting the expenses. People who are very poor or people who are very wealthy can afford to be sick, but the middle classes cannot. Dental services are also expensive, and necessary. But much as it costs to be sick or to get a tooth fixed, it is nothing to what it costs to die. Speaking for the province of Ontario, I say that a farmer cannot afford to die—the expenses are too heavy. In fact the burial expenses may absorb all his savings. We can fight shy of the lawyer—that is a blessing anyhow—but if we have to employ his services the fee charged by the doctor or even by the undertaker shrinks into insignificance compared with the lawyer's fee. I have had very little to do with lawyers in a business way, but this year I had occasion to in connection with a farm mortgage. The lawyer—he practises in a town in old Ontario—charged the man who was getting a $4,000 mortgage ten dollars for exchange, although $2,000 was paid by an official cheque and $1,000 by a bank draft. Someone else will have to explain this charge; I cannot.

Not only are wages going up all along the line, but taxes also. I might interject here that the end of the raise in wages has not yet been reached: the deputy ministers are to have a very handsome increase in their salary this year, the judges, I dare say, will be back before long for an increase in their salaries, and so it goes. Municipal, provincial and federal taxes have increased enormously, and the farmer not only pays his own taxes but, as everyone of us knows, he pays a good part of the other fellow's in the increased cost of services and commodities.

I do not know of any body of men that is less well informed on actual conditions in the country than the members of the government. When they go out into the country all the people who have been making money on the stock exchange or by some other method entertain them, they get the band out and the flags flying, with the result that being so lavishly entertained our cabinet ministers know nothing about those who are in a poor way and who possibly have not got a dress suit in which to meet these hon. gentlemen. Apparently the government thinks that the wheat crop this year brought great wealth to Canada. The wheat crop of the prairies was certainly a bulky one, and the railways earned as much in hauling down to the head of the lakes No. 3 or No. 5 grade as they did for No. 1. The grade of the wheat does not affect the earnings of the railways. And the banks made just as much on their loan to the farmer who is still carrying that loan as if he had been able

to pay it off; indeed, in such cases the banks have made more money in interest charges. The farmer had to borrow funds to buy food and clothes and the necessary machinery to harvest his crop, and in all probability he has not yet paid off that loan. The merchants in the small places would surely agree that they have lost money because the farmer has not been able to meet his last year's debts.

I do not propose to go fully into our loss of population, because this question will be dealt with by my colleague the member for East Lambton (Mr. Fansher). I shall deal only with the loss of population in the last twenty years in my own constituency of Southeast Grey. It comprises nine townships. Between 1901 and 1911 those nine townships lost 6,543 people, and between 1911 and 1921, 4,200, or in that period a total loss of 10,743. One can clearly see that unless this exodus ceases very soon there will be nobody left in Southeast Grey.

I need not further emphasize to an intelligent body of legislators the fact that the agricultural industry in Canada is in a bad way; it is quite clearly the sick industry of the Dominion. And what remedy is offered? I have heard only two; one is protection and the other immigration. It is said that we should have protection by way of the tariff. We have two schools of protection in Canada, both high protection, the only difference being that in the case of the Liberals they talk low tariff and practise high tariff—low tariff to get the votes and high tariff to get the campaign funds in order to enable them to sit on the cushioned seats of the treasury benches. At least I can say this for the Conservative party, that with the one lapse of the Winnipeg convention they are consistent in their tariff policy; whether one thinks of them as they are to-day or as they were a hundred years ago or as they will be a hundred years hence, they are always in the same place—the place of special privilege.

At the moment the Conservatives are advocating protection for agricultural products. I am sorry I did not have the pleasure of hearing it, but I read very carefully, and have re-read a part of it many times, the speech of the hon. member for South Wellington (Mr. Guthrie). It seems fashionable to congratulate somebody and I shall therefore congratulate the hon. member for South Wellington. And I may truly say this, that his speech has required more answering than the budget itself. I could not accept it all, but the first part was exceedingly good; and with a great part of it I did agree. I gather from that speech that the hon. gentleman advocates in the main keeping our agricultural products at home; that is to say: Don't let the other fellow's products come in, but keep our own products within Canada. One might boil it down to this: Let us eat our own products and so make ourselves prosperous. I am not so sure that it would make us prosperous, but it would make us full. That is clear. On page 757 of Hansard the hon. member is reported:

> I realize quite well that in many respects the United States market is the most convenient, the most expedient market which we have; in many respects it is the very best market in which to sell many of our farm products.

If the hon. member was speaking officially for the Conservative party, then that party was eighteen years too late in finding that out; for in 1911 that was the very thing that was advocated by people who still believe that the United States market is a very good outlet for a considerable proportion at least, of our agricultural products. And if the Conservative party actually thought that the United States was a good market for our farm products, when they went into power in 1911 they could have turned right about face and helped us to market our products there—that is, if it is really the farmer they want to help. It would not have been the first time that a government turned right about face and did what in campaigning it said it would not do.

I heard someone—I have forgotten who—say in this house that he more or less resented the inaugural speech of Mr. Hoover, the newly elected president of the United States. Well, I read very carefully what the newspapers reported of his speech and I considered it masterly. I thought it was a broad-minded speech, with one exception: it is very difficult to be internationally minded on one thing and nationally minded on another, and President Hoover had something to say about a tariff in regard to farm products. We must remember however, if we intend to be fair, that the United States offered us a market for our farm products and kept that offer open for a long time. We did not accept it, and it is their own business if they shut out our products; and we have no right at all to feel any resentment against them. Indeed, they must think we are very hard to please if neither thing they offered pleases us. I am not one of those who believe that the raising of the tariff will not injure agriculture in this country; I think it will. It will particularly injure the cattle and dairy people.

The hon. member for South Wellington did not make clear to me how it is, if protection can operate to the benefit of the farmer, that the American farmer, who has been enjoying a large measure of protection for some time,

is poorer, more discouraged and less able to help himself than the Canadian farmer, notwithstanding that he has access to one of the best home markets in the world. How considerable is the protection which the American farmer has enjoyed I will let a noted American tell you. In the last volume of the American Academy of Political and Social Science there appears at page 125 an article by John D. Black, professor of economics of Harvard university. Professor Black canvasses the question whether the tariff will do the agricultural population of the United States any good, and under the heading, "Possible Expansion of the Home Market", he says:

> The question now to be answered is: Assuming that expansion of the home market by shutting out some of these $647,377,000 of imports would be desirable, how much can really be accomplished in that direction, presumably by raising tariff duties? An examination of the tariff list reveals only two competitive products which do not now have tariff protection—cotton and hides. All the others—coffee, tea, bananas, silk, sisal, etc., are non-competitive. There does not appear much room for expansion here. Apparently the end must be obtained mostly by raising the existing tariff rates. But they seem to be rather high already. The ratio of duties collected to values of dutiable agricultural imports is running just under 40 per cent.

These are not my words but the words of an eminent American. I do not think that protection can raise the prices of farm products in a country with an exportable surplus. A very good example of that is to be found in the United States in the matter of wheat. They had an annual exportable surplus of 3 per cent and they had a protection of 42 cents per bushel; yet wheat has been selling in Canada, almost constantly since 1925, higher than in the United States. No one has ever made me see—and I want to see it if it is true—how protection can protect agricultural products in this country with conditions as they are now. What I fear is that the farmer will place himself, if he asks for protection, in the position where he cannot refuse higher and ever higher protection to the manufacturing industry. Let me give an example to show how that works. In the United States, where the general opinion is that something will be done in regard to raising the tariff against imports of agricultural products, the manufacturer of cream separators, feeling that the man who has cream is going to be considered, has already filed a request for an increase in duty on cream separators. And that is exactly what would happen here. The farmer would have to pay over and over again for any slight benefit that might come to him. There are perhaps a few things of which we have no exportable surplus in connection with which he might benefit in a very small degree, but he would then be in the position where he would be absolutely helpless against the manufacturer who would demand more and more protection for himself. I am particularly anxious that the farmer shall not again be fooled by high protection as he was in 1911. And let me say that the protectionists then were not all Conservatives by any means. On page 257 of the same volume from which I have already quoted there is a clear admission that the farmers of the United States have been fooled by the manufacturers in regard to protection. I should like to put this on Hansard:

> The manufacturing exporters know they cannot benefit by the tariff. They know that, on the whole, it tends to increase costs of production including, directly or indirectly, their own. Consequently they will, especially if and when competition in their essential external markets becomes keen, advocate a general lowering or abolition of duties. Their success will depend upon their ability to unite with them the farmer, whose interests are the same as theirs.

In a footnote exception is made of a minority of farmers producing wool, flaxseed, and hard wheat.

> If they become numerous and powerful enough to do this before the farmer ceases to produce for export, their success will be easy. The manufacturers of the last two generations have bamboozled the farmer into voting against his own interests. There is no reason why the intelligent export manufacturers of the future may not with equal skill and better conscience convince the farmer of the truth.

The only other remedy I have heard proposed is immigration. I noted a welcome change in the speech of the Minister of Immigration the other day, but until the present time the government have advocated getting immigrants, getting more settlers, regardless of cost or kind. Their solution for the agricultural problem was the tariff plus bringing in more farmers to produce more goods further to lower the prices we are getting for farm products. Isn't that brilliant? Only a government could do a thing so stupid; they were afraid they could not do it fast enough themselves to ruin agriculture and so they called to their assistance the railway companies and certain religious organizations. I hope that when the immigration estimates come up every farmer in this house, whether he is an Independent, a Liberal or a Conservative, will take the stand that as a farmer he is not going to be so dull as to sit still and see the people's money spent to bring in more farmers to compete in an already under-paid field.

To my mind the way out for the agricultural industry lies with the farmers themselves

rather than with the government, although the government can help; the ability to solve the farm problem is latent in every farming community, although it is quite true that the rapid depopulation of the country makes it necessary that we should arouse the latent ability before all the virile and aggressive people have left the land. Farmers have suffered severely from an inferiority-complex, regardless of their political affiliations; the farmers need to trust themselves and stand on their own feet.

This whole condition has come about because the farmer did not look after his own business. He must, not as an individual but as a group, enter the marketing, the financial and the legislative fields; he must become a dominant figure or at least a very important factor in each of these three fields. It is not possible for each individual farmer to study the needs of the market at home and abroad but it is possible for agriculture, well organized and selling its products efficiently, to do that very thing.

We heard a great deal about our importations of cheese, but let me say there is cheese and cheese. I know that when the hon. member for South Wellington made his speech he made no difference, but down at the Chateau Laurier I am sure he would find a great deal of difference. We import a great deal of cheese because it is put up attractively and because it is of a kind the Canadian people want. So far as I know the producers of cheese, not the cheese factories but the people who produce the milk which is made into cheese, have not made any cooperative effort to put their cheese on the markets of the Dominion of Canada in a way acceptable to the Canadian people. In the first place they market it too fresh; sometimes I buy and attempt to eat cheese which tastes and feels a good deal like soap. It was not cheese; it was not ripened; it was not good for the home or the foreign market. Sometimes I buy soft cheese, because I like it; I do not care particularly where it is made. Surely one does not have to eat indigestible cheese just because it is made in Canada; that is carrying patriotism too far. If the men who produce the milk which is made into cheese will make of themselves a cooperative unit; if they will study the needs of the market and the needs of the consumer they will get a better price for their product.

That is equally true of apples. Why is it that the British Columbia apple can compete at a higher price with our Ontario apple right under our noses, when the British Columbia apple has not the flavour of the Ontario Spy or McIntosh? Of course, we have been trained to think of an apple as a beautiful thing and we buy it on its looks, just as men pick their wives. That is why I have been so unlucky.

Mr. RYCKMAN: You have your chance yet.

Miss MACPHAIL: There is no use in my building up false hopes. When a person buys graded apples he knows they will be uniform and attractively and conveniently boxed and he is willing to pay a higher price. Just as soon as the Ontario apple grower wants to get into the cooperative business he can command a higher price. I do not suggest that he go into a cooperative concern organized by a government; if there is anything in this world I distrust it is a concern of that kind. Let me cite the tobacco pool as a very fine example; but if the growers themselves organize they can put their apples on the market and certainly they will be purchased by the people of Ontario at least.

We have a very considerable degree of cooperative marketing in Canada now. I refer particularly to the grain pools, which came about as a direct result of twenty-five years of farm organization and education and not from the work of the war-time wheat board. The farmer is learning to become intelligent as a group. I think it would astonish the house, as it astonished me, to learn that in 1927 we marketed cooperatively $500,000,000 worth of farm products out of the total of $1,750,000,000 worth of farm products marketed. Supposing the farmers said, "We are going to put over the idea of cooperation to every farmer in Canada regardless of what he produces; we are going to carry on an educational campaign through a body which might be called the associated producers cooperatives." Supposing the farmers levied a tax on themselves, of one mill, or one dollar out of every thousand; that would give them the tidy sum of $500,000 a year. With that they could do very many things to sell the idea of cooperation to the Canadian farmer; they could do it through speeches, through discussions, through marketing schools, through moving pictures and the new "talkies" and through lectures, and it would not be very long before the farmers of Canada would be in the position the farmers of Denmark are in to-day. Then they would laugh at anyone who tried to convince them that cooperative marketing was a good thing; they would know that themselves.

Then, when they had gone that far they could go still further. I am sorry time does

not permit me to go into this question more deeply, because it is a most interesting field, but the farmers could continue this annual levy in order to arouse the national consciousness to the need of rural culture. That exists to-day to a very limited degree, but it could be extended, deepened and sweetened; it is necesary to the moral well-being of this nation. All of this would take time and money, but it could be done, and there are many things the government could do to assist agriculture. Let me say right now that there is no use spending money for immigration; there is no use talking about our great prosperity until we get the basic industries prosperous. I do not claim for a moment that agriculture is the only basic industry but it is the chief industry and the government could do much for it. For instance, they could take the advice of the tariff board, which would be a very good body if the government would listen to them; they could free the implements of production from any taxation whatever; they could cut down expenditure as far as possible, thus lowering taxation; they could stop bringing in immigrants and they could bring about disarmament. No country in the world could lead the world better in disarmament than could Canada. They could revise the Bank Act in the interest of the masses. That may sound a little like talking about heaven, but it is one of the things they should do. They could carry the grading of farm products through to the finished article. What is the use of grading hogs if we do not grade bacon? Unless we can win a place on the world markets for good bacon there is no use grading the hogs. They could collect data from the whole world regarding agricultural conditions and broadcast it to the farmers of Canada. They could develop a federal health program which would lead to state responsibility for good health. There are many other things I would like to mention but I have not the time.

There is one matter which needs immediate consideration—if they think about it for five years they might do something—the financing of the wheat pool. Why could not credit be arranged between the treasury board and the wheat pool? The wheat pool has the wheat and they can deposit collateral with the treasury board; the treasury board has the right to issue credit, or give authority to somebody else to do it, but the way things are at present, the banks stand between the two and make a tidy profit out of doing nothing at all.

But when we got all that done we would still have this monstrosity known as the House of Commons; we would still have two hundred and forty-five members sitting here with the seventeen or so who are in the cabinet actually doing the ruling. Unless it is changed, we would still have this place where questions are not debated or decided on their merits; where private members, and particularly private members in the governing party are not free to advocate the needs of the people—the Liberal Progressive are a telling example of this. The people's representatives are bound and gagged by party discipline and by rules and customs. Perhaps I should say that they are bound and shackled because they are hardly gagged, but at least they have to talk to a wilderness of empty seats and closed minds.

When agriculture becomes fully organized it will then be powerful enough to be one of that group of interests which stand outside and pull the strings which operate the cabinet. But that does not seem to be a very democratic way of effecting government; I think it would be much better if agriculture strove to have the form of government changed in a way which would acknowledge the economic needs of the country and the economic nature of government; which would acknowledge the right of the agricultural group to function as they desired to were they not bound by the present rules and usages of the house. The people will soon realize that the geographical unit is a false unit in the electing of members to this house. Good sense may overtake us and we will realize that questions should be decided in this house on their merits; and I think there is a day in the future—possibly a long way ahead—when the cabinet will not rule parliament but will be subject to parliament. When that day does arrive we will have something which comes nearer to true democracy.

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, If I am to finish by six o'clock I must hurry along, and I know the member for Southeast Grey (Miss Macphail) will pardon me if I do not pay her the compliments I should like to have paid her.

During the course of the debate I have noticed that some of the hon. members seem loath to believe in the prosperity of this country. I noted that the hon. member for Vancouver Centre (Mr. Stevens) hesitated to accept the figures of car loadings as given by my colleague the Minister of Trade and Commerce (Mr. Malcolm). He pointed out that although railroading activities were improving in this country there were less men engaged in that industry. In that he is probably correct, but the hon. member should not have

taken that decrease in number of employees as proof that we were not progressing. He should have realized that it was because of the more efficient organization of our railroads, the better cooperation and efficiency among railroad men which enabled us to get through the rush periods of traffic without having to bring in men from the United States who would only take wages out of the country. The hon. member stated that 2,000 less men were employed in 1928 on our Canadian railways than were employed in 1923. No doubt that is true, but the wages paid the railroad men in 1923 amounted to $253,000,000, in round figures, as compared with $276,000,000 in 1928.

Mr. HEAPS: Does that include salaries?

Mr. HEENAN: That figure covers operating wages. The Canadian railroad employees had $23,453,000 more amongst themselves in 1928 than they had in 1923, notwithstanding the fact that the last thing which was done under the Conservative administration in 1921 was to reduce the wages of railroad men by 12½ per cent, involving an amount of $50,000,000.

I should like to take the opportunity afforded me in this debate to answer some remarks which have been made by hon. members opposite. I should like first to refer to a statement made by the hon. leader of the opposition (Mr. Bennett). When in Winnipeg on September 24 of last year he charged me, as I understand from the press, with being adverse to the British harvester movement. The following day I corrected that statement and I thought the matter was ended, but when the hon. member spoke in reply to the speech from the throne he quoted from an overseas publication to the effect that I had repudiated the harvester movement. I do not think it is necessary to go outside of Canada to obtain information as to what Canadian public men have said or with regard to Canadian affairs. I have before me extracts from different newspapers published throughout the country, from Halifax to Vancouver. These newspapers have stated in effect that the Minister of Labour had defended the harvester movement at the trades congress convention. It may be that the hon. member was confused by the tactics of some of his own lieutenants who appeared before the trades congress convention and criticized the harvester movement. I have in my hand the issue of September 22 of the Labour News of Alberta, in which the following appears:

> Senator Gideon Robertson contended that the Britishers were not even required during harvest season. "Due to the influx of old country harvesters," he said, "the second harvest excursion from the east has been cancelled and thousands of young men in the maritime provinces were thus deprived of the opportunity to secure the usual seasonal employment in the west."

If there was confusion it was caused by that statement, and also because one of the delegates, a man prominent in the councils of the Conservative party, not content with things as they were in the convention, having tried to get the reporters to give a garbled account and failed, slipped out to the telephone and endeavoured to give to one of the papers in the east a garbled account of my statement. The editor, however, wanting to be fair, sent a gentleman to investigate the matter and found that it was a deliberate falsehood. The convention took to task the gentleman who sent out the report. That was what caused the confusion. In that connection the Labour News, published at Hamilton on September 28, had this to say:

> It begins to look as though the garbled and misrepresented account of Hon. Peter Heenan's convincing address on immigration at the Dominion Trades Congress convention, given out by an unnamed delegate who by the way is ultra-Conservative, has been swallowed hook, line and sinker by certain Tory newspapers, party writers and leaders.

Commenting on this same controversy between myself and the leader of the opposition, the same editor had this to say:

> The Minister of Labour is right in what he says. The writer heard his address at the congress convention and the minister did not hesitate to tell the delegates that he had been a party to the arrangement to bring British harvest help to Canada.

I defended the harvester movement. Why should I not? The harvest crop of western Canada is of vital interest to the whole nation. It is of vital interest to the farmers of the west, to our railroads and railroad men, and I might say practically every man in the industrial centres of the east depends upon the prosperity of the farmers in the west. Therefore I say I defended the harvester movement, but in doing so I endeavoured to show the importance of the question. I tried to show that every year there sits in Winnipeg a committee composed of representatives of the governments of the three prairie provinces, the farmers, the immigration department, the labour bureau, together with the transportation companies. They estimated that this year 75,000 men would be required. When I was informed of that—I was along with my hon. friend the Minister of Immigration

(Mr. Forke), who was absent at the time —I sent this telegram to every premier in the eastern provinces:

From information to hand annual meeting of Canadian Passenger Association western lines, employment service representatives of all three prairie provinces, immigration authorities and farmers' representatives held in Winnipeg on Thursday, it was estimated that 75,000 harvest workers would be required to handle this year's crop in the west, 25,000 of whom would be locally available. British Columbia estimates being able to supply 6,000 leaving balance of 44,000 to be secured from other sources. As the harvesting of the western crop is a matter of national importance would greatly appreciate an expression of opinion from you by wire at your earliest convenience as to the approximate number from your province who may be expected to avail themselves of the usual cheap rates provided by the railways for transportation to and from the prairie provinces for the purpose of engaging in harvest work.

Peter Heenan,
Minister of Labour.

I received telegrams in answer to those, and for the information of the house I want to read them. Hon. Doctor Forbes Godfrey, Minister of Labour for Ontario, telegraphed me on July 25 as follows:

On account of the fact employment index in Ontario is at a higher point 108.5 than it has been since 1919, the interest shown among our applicants in the harvest excursion is less than usual. In the case of Toronto for instance not more than a dozen men have asked (at the employment office) for particulars regarding the excursion dates, et cetera. The harvesting of the wheat crop is of course a matter of national interest and benefits the Dominion as a whole, including Ontario, and there is not sufficient labour in western Canada to take care of this tremendous seasonal project. At the same time I would expect this year to find a noticeable falling off in the number of men available from Ontario.

Hon. Mr. Taschereau wired me on the same date:

I am advised by employment bureau that Quebec usually sends about 5,000 available workers every year and that same number will probably be available this year.

Mr. J. A. Murray, Commissioner of Immigration for New Brunswick, wired:

Estimate approximately 2,000 harvesters from New Brunswick.

Let me point out that this is about 25 per cent of a falling off from the previous year. Hon. E. N. Rhodes, Premier of Nova Scotia, wired as follows—and I should like the leader of the opposition to take note of this answer, because I understand he was in the maritimes at this particular time; and he can see whether this gospel is along the lines of what he was preaching:

During past four years average 1,700 have gone west for harvest. Would estimate 25 per cent decrease this year owing activities building construction, highways, mining industry, and increased agricultural production.

This is the reply from Hon. A. C. Saunders, Premier of Prince Edward Island:

We are very short of farm labourers in our province, having the largest potato crop in our history. We have a large waiting list of farmers here requiring farm labourers. Demand so very keen doubt if 50 men will avail themselves of cheap transportation rate to prairie provinces.

With those telegrams before us, the promise of 5,000 from Quebec, 2,000 from New Brunswick, 1,275 from Nova Scotia and 50 from Prince Edward Island, or a total of 8,325, leaves us still short by 35,675 of the estimate made by the committee, and we could hardly expect that number from Ontario.

Mr. ADSHEAD: Has the minister the figures for the western provinces?

Mr. HEENAN: The estimate is 25,000 from the three prairie provinces.

Mr. ADSHEAD: Did Mr. Brownlee send that word?

Mr. HEENAN: No, that estimate was from Winnipeg. With that before us, and realizing the position of the workers in England, we heard the cry of the Imperial government and it was decided to try as an experiment the bringing out of 10,000 men. Many opinions have been offered as to whether the experiment was a success or a failure, but at any rate it was tried, and after the Minister of Immigration and the government had exacted every safeguard from the transportation companies and representatives of the Imperial government so that those men would not be a burden on the country, they were permitted to come over. That was the position, and the leader of the opposition should not endeavour to get the government both coming and going on a question of this description. While some of his party and his newspapers are crying out in favour of this scheme, he ought not to have one of his chief lieutenants stand in the trades congress convention damning the scheme. I hope I have made myself clear on that point, and that the leader of the opposition will now take my word for it that I did not repudiate the scheme but was a party to it and glad to make the experiment.

Mr. ADSHEAD: Is the minister going to continue it next year?

Mr. HEENAN: I am making this speech this year. One thing at a time is pretty good.

Some hon. members have spoken on many subjects, and I should like to refer to two hon. gentlemen in particular who discussed the old age pension legislation, the hon. member for Vancouver South (Mr. Ladner) and the hon. member for Cumberland (Mr. Smith). The hon. member for Vancouver South, in the course of his remarks, made this statement:

> Mr. Speaker, to me it is inconceivable that this government and the Liberal forces throughout Canada should be parties to a scheme to submarine their old age pension legislation after it has served their purpose before the electorate. It seems to me that the suggestion to test the constitutionality of the Old Age Pensions Act by a reference to the supreme court is an indirect method of destroying the effectiveness of the legislation, resorted to by certain forces in the Liberal party that do not approve of old age pensions and would like to shift the whole burden upon the provinces.

At this juncture I would pause to say that the only suggestion that has come with regard to testing the validity of the legislation came from a member on the Conservative side of the house, who has several times put a question on the order paper asking whether the government were willing to test the validity of the legislation before the courts.

I should like to outline briefly the history of the old age pension legislation, and after that I shall be surprised if the house and the country are not convinced that my hon. friends opposite attempted not merely to submarine but to torpedo the whole old age pension legislation at every opportunity they got.

In 1919 it was a plank in the Liberal platform to advocate an old age pension scheme in cooperation with the provinces. In 1922, after the Liberal party was elected to power, a resolution was introduced by the then member for Hull urging that ways and means be devised to establish an old age pension scheme in Canada. In 1924 a resolution was introduced by the present Prime Minister (Mr. Mackenzie King), appointing a committee to make inquiries into an old age pension system for Canada. That committee reported in the same session, and recommended that the provinces be communicated with. That was done, and answers were received from the provinces. It is true that the provinces were not enthusiastic over the scheme. The question was again submitted in 1925 to the same committee, which recommended the same scheme again, and submitted in addition the opinion of the Deputy Minister of Justice to the effect that this was a provincial, and not a federal, responsibility. When the report of that committee was before this house my hon. friend then sitting for East Calgary, and sitting on the Labour benches—I refer to Mr. Irvine—moved an amendment to the effect that the question should be referred back to the committee with instructions to bring in a report upon a purely federal plan. One would have thought that if the Conservatives in this house wanted a purely federal scheme, this was their opportunity to secure one, but the house will be surprised to learn from the record that only two Conservative members in the whole house voted for the amendment calling for a purely federal plan. Every other member of the Conservative party voted against it, and voted for the adoption of the committee's report. The two members of the Conservative party who voted in favour of a purely federal plan were the hon. member for Toronto Northwest (Mr. Church) and the hon. member for the Yukon (Mr. Black).

There was an election in 1925, and in 1926, the first session after the election, a bill was introduced in regard to old age pensions. What was the position of my hon. friends opposite, especially the leaders of the Conservative party, at that time? Sir Henry Drayton, was then leading the opposition in the absence of Mr. Meighen, who I remember well was ill at the time. Sir Henry Drayton had this to say:

> I am not at all certain that it is a good thing for this parliament to try to look after other business than its own, to try to look after provincial business, when I do not think the most enthusiastic supporters of this government can say it is looking after, as they should be looked after, matters of pressing Dominion importance. This is entirely a provincial matter.

Mr. HEAPS: The Prime Minister said exactly the same thing a few days ago, did he not?

Mr. HEENAN: The hon. member for St. Lawrence-St. George (Mr. Cahan), speaking on this question at that time, referring to Nova Scotia, said:

> I do not think there is any demand from that province for contributions of this kind in respect of work which they have undertaken as a province and in which the municipalities assist. They regard this as a provincial and municipal affair and they are prepared, I believe, unless there has been a change of sentiment in recent years, to continue it in the same vigorous and successful way in which they have carried it on in the past.

Another very prominent member of another chamber, the leader of the Conservative party in that house, said:

> In this case, according to the Department of Justice, the subject matter over which we are legislating has been assigned under our federal constitution to the provinces. I think

it is a good general rule to lay down and to follow as closely as possible, that the parliament of Canada, or any house legislating under a similar constitution, should confine itself to those subjects which have been assigned to it, and the provinces to the subjects that have been assigned to them.

Then my hon. friend the present leader of the opposition (Mr. Bennett) had this to say in Hansard, March 26, 1926, at page 1975:

I apologize for trespassing again to-night upon the time of the house, but I feel very strongly on this subject. I am deeply interested in it; I desire to see it succeed. I am convinced that it cannot succeed without the cooperation of all the provinces, unless the Dominion, in defiance of our constitutional jurisdiction as voiced by the Deputy Minister of Justice, sees fit to undertake the whole responsibility, which would involve us in an expenditure of $23,000,000 per annum, and, in a very short time, an expenditure of $40,000,000 per annum, an expenditure entirely too large for us to entertain at the present time.

So I do not think we got very much encouragement from our Conservative friends on that occasion. In view of the statements I have quoted, it puzzles me to understand how the hon. leader of the opposition, after saying that it would be in defiance of our constitutional jurisdiction to undertake the whole responsibility, could vote at the Winnipeg convention—the press stated that the vote was unanimous—that the old age pension scheme at present in operation was inadequate and unworkable, and that there should be a federal scheme instead of a Dominion-provincial scheme. But that was the position of the Conservative party. In 1925 they voted in this house against a federal scheme and in favour of a Dominion-provincial scheme, and in 1926 they opposed a Dominion-provincial scheme on the ground that old age pensions were the business of the province, and not of the Dominion.

But the bill passed this house. It went to the other chamber, and there, to use the language of my hon. friend from Vancouver South, it was submarined. An election took place following its execution, and I think of all the questions that were discussed before the public in that campaign, old age pensions was one of the most prominent, and we know with what result. The bill was re-introduced in 1927, and amendments were offered by the Conservative party, which had for their purpose the loading down of the amount involved to such an extent that if they had ever been accepted by the government it would have been killed in the senate almost before it reached the other chamber; because when the senate threw out the old age pension bill in 1926 on the ground that it was going to cost $24,000,000 a year, it could hardly be expected that they would pass an old age pension bill the next year that was going to cost around $176,000,000 a year. When those tactics failed and the law was finally placed on the statute book, one would have thought, yes, one had the right to expect, that hon. gentlemen opposite would cooperate with the rest of the country in an effort to induce the provinces to make the best of the situation and participate in the scheme. But what did they do? They called a meeting in Winnipeg, the Conservative convention, and there in the centre of Canada they broadcast to the four corners of the country discouragement to the provinces, declaring that the Dominion-provincial scheme was inadequate and unworkable, and they voted unanimously for a federal scheme instead of a Dominion-provincial scheme.

Mr. BENNETT: What does Quebec say?

Mr. HEENAN: I will tell the hon. gentleman what somebody else says first.

Mr. BENNETT: Hear, hear.

Mr. HEENAN: They declared for the federal scheme, in face of the fact that my hon friend in the session of 1925 voted against it, and in view of the fact that the now leader of the opposition, my hon. and genial friend, said that it would be an invasion of our constitutional jurisdiction.

Mr. BENNETT: My hon. friend will pardon me, but I cannot let that statement pass. He has made it for the third time, but on the other occasions I refrained from interrupting him. I said the constitutional jurisdiction as declared by the Deputy Minister of Justice. I expressed no opinion of my own.

Mr. HEENAN: I expect my hon. friend is like myself. He accepts the Justice department as the logical authority to give legal advice to this parliament.

Mr. STEVENS: It was asked for by this government.

Mr. HEENAN: My hon. friend can ask for it now if he expects something different. Now, we were told that the scheme was unworkable and inadequate, and at that very time we were negotiating with the western provinces. To-day this so-called unworkable and inadequate scheme is in effect in every province in western Canada with the exception of the province of Alberta. The Premier of Alberta has stated that his government will adopt the scheme this session, and already a bill has been introduced for the purpose.

Then again this so-called unworkable and inadequate scheme is about to be put into effect in the province of Ontario, the most Tory province in the whole Dominion.

Mr. HEAPS: Except Quebec.

Mr. HEENAN: Ontario, I think, sent more delegates to the Conservative convention in Winnipeg last year than any two or three of the other provinces combined. They were unanimous in declaring our old age pensions scheme to be unworkable, but quite recently Premier Ferguson has introduced a bill in the provincial house to take advantage of the legislation. When my hon. friends observe the progress that has been made in this connection I should think they would not start sniping at the scheme and attempt to make the people of this country believe that the Prime Minister stated in this house the other day that it was a vicious system, when as a matter of fact he said nothing of the sort.

Mr. BENNETT: He said it was a thoroughly vicious principle.

Mr. HEENAN: Everyone who was in the house at the time knows that he was speaking on the principle of provincial subventions, and an hon. member here and there tried to lead him to say something—

Mr. BENNETT: Mostly here.

Mr. HEENAN: I would expect opposition from the Conservative party, but I am surprised to find one or two members—whom I would have expected to endorse the old age pensions scheme and help the government in every way to put it into effect—are joining the Conservatives in trying to infer that the Prime Minister called the scheme a vicious principle, whereas as a matter of fact such a thought was far from his mind. But I am not so much worried about what my friends of the opposition think of the government and of the scheme. I am satisfied to reflect that the people who are now benefiting by this legislation are old-time pioneers. Therefore I prefer to take the opinion of those who are sympathetic towards those pioneers and towards this scheme, and I can cite no better evidence in this connection than the views of the Trades and Labour Congress, as set out in the legislative program which they presented to the government on January 8 last. They did not doubt our sincerity. They said:

> It is pleasing to note that the Minister of Labour has continued to publicly urge all provincial governments to accept the federal-provincial Old Age Pension Act and this we accept as a manifestation of the sincerity of the federal government in seeking to have the benefits of the measure made applicable throughout the entire Dominion at the earliest time.

We have been told time and again by our friends opposite that the old age pensions act is inadequate and unworkable. Apropos of this allow me to quote what the hon. member for Cumberland (Mr. Smith) stated from his seat in this house:

> Might I mention here that very recently there has been submitted to the government of the province of Nova Scotia an interim report by the commissioner who was appointed to investigate an old age pensions scheme in that province, and he has estimated in this report, which is not at all complete, that the total cost to inaugurate such scheme—of which I may say every person in the province of Nova Scotia is heartily in favour—will amount to $4,400,000.

Mr. HEAPS: Where did he get his figures?

Mr. HEENAN: He manufactured them.

> The portion to be borne by the province to be $2,200,000, plus expenses of administration of the scheme.

When a similar argument was advanced by the government of Ontario, I undertook to hazard the guess that instead of costing in the neighbourhood of five million dollars, as stated by the provincial authorities, it would cost approximately half that amount, towards which the Dominion government would contribute 50 per cent. I knew whereof I spoke, for to-day the premier of Ontario realizes that at the most it will not cost the province more than three million dollars. This estimate for Nova Scotia—

Mr. HEAPS: Is it an estimate?

Mr. HEENAN: They call it an estimate, and I like to call it by the same name. This estimate, I say, is ridiculous, because at the last census the number of persons in Nova Scotia over seventy years of age was 24,756. Assuming every one of them was paid the maximum pension, the cost to the provinces would be less than $2,975,000. Our experience in the other provinces has shown that about thirty-five per cent of these old people qualify for some part of the pension. Even taking forty as the percentage for Nova Scotia, the cost of full pensions for all would be about $1,200,000; if thirty-five per cent received full pensions the cost would be $1,027,800. The cost of administration has been exaggerated. In British Columbia it does not cost more than eight thousand dollars a year, whereas it has been estimated that it would cost Nova Scotia two hundred thousand dollars for administration. Such an estimate on the face of it is ridiculous.

I have only five minutes more in which to deal with several questions, and, Mr. Speaker, I do not know which to cut out. Before I leave the old age pensions question let me say that this government is right behind the scheme; the Prime Minister and his cabinet are one hundred per cent in their support of it, and they are all anxious that the scheme should go into effect in every province. We ask support from our friends opposite even at this late date to help us to put it into effect in every province, and when it does go into effect in the provinces we are quite prepared to sit down with them and consider such amendments as may be deemed necessary; because so far as this government is concerned this is not the last word in regard to old age pension legislation—this is the first.

The hon. member for West Hamilton (Mr. Bell) took a fling at the government from many angles, and I want to discuss one point of attack which he made. He attributed the strike in Hamilton to the policy of this government, implying that had this been a protectionist country that strike would not have taken place. Let me point out to him that there has just terminated a strike in New Bedford, Massachusetts, in what is the most highly protected industry in the world. That strike occurred in the cotton mill centre where, according to the American Federationist, the employees are not making a living wage. They had to suffer a 5 per cent reduction. I wonder, therefore, how the hon. member can blame the policy of this government for the strike to which he referred. Let us measure my hon. friend's party and its policy by the strike criterion and see how they fare. From 1912 to 1921 there was an average of 150 strikes a year, while time lost by reason of strikes averaged 1,081,508 working days. In the last three years, on the other hand, from 1926 to 1928 inclusive, there has been an average of 86 strikes per annum instead of 150, while the average number of working days lost was 233,410 as compared with over a million.

The hon. member for Muskoka-Ontario (Mr. McGibbon) advanced a strange argument. He read from the census returns of 1921 to show that the country was not prosperous, and then he went on to make the statement that not one of the men engaged in several occupations which he mentioned earned over $1,600 a year. I would point out to my hon. friend that he was not censuring this government in that regard; he was alluding to what had taken place while his own party was in power from 1912 to 1921. But if he wanted to be fair he could have ascertained from the wages bulletin which we issue that the wages of bricklayers in Toronto had increased since 1921 from $1 to $1.25, or 25 per cent; the wages of carpenters from 90 cents to a dollar, and the wages of electrical workers, sheet metal workers and others similarly, the average increase in wages being 19 per cent. So that if the hon. member condemns his own party—

Mr. SPEAKER: Six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock

PRIVATE BILLS

THIRD READING

Bill No. 64, respecting Chartered Trust and Executor Company.—Mr. Lawson.

SUN LIFE ASSURANCE COMPANY

Sir EUGENE FISET (Rimouski) moved the third reading of Bill No. 16, respecting the Sun Life Assurance Company of Canada.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I will not take very long to explain my views in connection with this bill as the amendment which has been made is satisfactory, but I do not think I should fail to present to the house what was said at a public function in the province of Quebec with respect to the way this bill was dealt with last year. The remarks to which I refer were made at a public dinner held in Quebec on June 8, 1928, and may be found in the proceedings of the third annual convention of the Canadian Chamber of Commerce, held at the Chateau Frontenac, Quebec city. With regard to this bill the following words were used:

The west must understand the problems of the east and the east must understand the problems of the west.

That is elementary; no one can object to that.

They are not the same problems.

That is true and it is also elementary.

It must be a matter of give and take.

Mr. BENNETT: Mostly give.

Mr. POULIOT: I think there is nothing so good as a fair understanding.

Some times I read in the papers some things that do not sound well—and when I see, not in our parliament but in the federal house, that westerners object to some bills—

Perhaps in speaking of members from the west he was thinking of the hon. member for West Calgary (Mr. Bennett).

—in which they are not interested, but they object precisely because they are not interested, I am afraid they create a bad feeling in the east. Let me quote an instance. Last year at the interprovincial conference at Ottawa the west came to us and said, we want now the return of our natural resources. Ontario and Quebec, for the first time, said, we have no objection at all, and the return of your natural resources is absolutely agreeable to us. In the past, Outario and Quebec had objected. Some days ago—

This was last June.

—two important bills came before the Dominion parliament, the Sun Life and the Bell Telephone bill, and I am told that these two bills are going to be talked out by westerners.

These are not my words; I am quoting from the remarks of a prominent man in Quebec.

I hope that they won't (hear, hear) and I may say to those gentlemen of the west who wish to talk them out, that if they want to create a bad feeling in the east against the west and call for retaliation—I don't say that they will get it, but I say they are courting it.

I hope my hon. friends in the far corner of the house notice those words.

Mr. EVANS: What is the title of the book from which my hon. friend is reading?

Mr. POULIOT: I am reading from the proceedings of the third annual convention of the Canadian Chamber of Commerce; I am sure my hon. friend has a copy also. I do not make these words mine; I want the house to understand that clearly, because I do not share these views at all. I believe in the freedom of this parliament; I believe that no one can interfere with free speech here, especially an outsider, and no one outside of this house can dictate any policy to members of this house. That is my understanding of Dominion politics. I exercise my privilege of free speech to quite an extent; it is the greatest privilege we have in this country.

Mr. BENNETT: May I ask my hon. friend a question? I suppose he remembers that two distinguished members of this house exercised their privilege of free speech to such an extent that one became Minister of National Revenue and the other Canadian Minister to Japan. Is my hon. friend emulating them?

Mr. POULIOT: I believe both were good appointments; the Minister of National Revenue is doing very well and I do not complain because the Minister to Japan has left this country for Japan. This is free speech again; I could not get accustomed in this house to his snobbish way of speaking when he was a member here; I remember that the second part of his speech used to contradict the first part.

Mr. SPEAKER: Order.

Mr. POULIOT: But to continue—and I will be very brief—I would like to tell my hon. friends in the far corner that they need not be afraid because the worst they could receive from the gentleman who made this speech to which I refer would be the cracker which he found on his door step in Quebec and which did not explode. This is another instance of those crazy utterances of the Premier of Quebec, who quite often does not know the first thing about the matters of which he speaks. The members of this house have no lesson to learn from anyone outside of this house; here we come to an understanding; members are free to express their views and they can say what they like. They use dignified language when they speak to each other or when they address the house, and I have never heard before of an outsider coming and trying to impress his views by threats upon independent members of the House of Commons. I protested against this very thing at a committee meeting this morning. I asked the officers of the Bell Telephone Company who were appearing there if they were ready to take all responsibility for the remarks made by that gentleman, and I received the answer from the attorney of the company in the negative.

I do not intend to occupy the time of the house any longer, but I desired to express my views on this subject. I believe our greatest privilege, as members of this house, is to use the language we think fits the circumstances, and I think this will be a lesson to that gentleman and he will mind his own business in the future, and observe "de Conrart le silence prudent," at least with regard to federal matters.

Motion agreed to and bill read the third time and passed.

THE BUDGET

CONTINATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. J. A. Robb (Minister of Finance) for committee of ways and means, the proposed amendment thereto of Mr. Guthrie, and the proposed amendment to the amendment of Mr. Spencer.

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, I understand that about three minutes of my time still remain, and I should like to place on record a few figures which will show that the railroad activities can be taken as a barometer of the progress the country is making. I wish to give the tonnage of revenue freight since 1921—

Mr. BENNETT: The hon. member's time had elapsed before the house rose.

Mr. SPEAKER: I understand the hon. gentleman's time has elapsed.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, I have had the privilege of hearing the Minister of Labour (Mr. Heenan) this afternoon, and if he will be good enough to listen to me this evening I shall a tale unfold which will go a long way toward assisting him in improving the employment situation in this country. However, to do that he must be diligent; he must prevail upon his colleagues to adopt certain measures which I hope to place before the house this evening. I propose discussing the question of trade as it relates to the welfare of this country. The terms "trade" and "commerce" are somewhat similar, and it is very difficult to differentiate exactly between the two words. There is a general consensus of opinion that the word "commerce" has a greater scope and wider application than the word "trade". But we hear the term "foreign trade," and surely that is wide enough. There is also the phrase "overseas trade," which is equally wide in its scope. I intend to deal particularly with overseas trade as it concerns Canada.

Overseas trade is divided into two groups, the first of which is the imports into Canada. As we all know, these imports enter Canada either through Canadian ports or through ports of the United States. I have before me a table prepared by the Bureau of Statistics which illustrates the progress which has been made during the past years in this respect. Imports which entered Canada through Canadian ports during the year 1928 were valued at $377,402,000, or 96.6 per cent of the total imports. The imports entering via United States ports in the same year amounted to $12,118,000, or 3.1 per cent of the total. These figures show a satisfactory improvement in the use of our own ports and rails. There has been a steady increase in the use of the Canadian ports. For instance, the imports through United States ports in 1921 were valued at $25,936,000 while last year they had decreased to $12,118,000. The statement in detail is as follows:

Dominion Bureau of Statistics—External Trade Branch

Canada's Trade with Overseas Countries via Canadian Sea or River Ports and United States Ports

(Taken from Canadian Sources)

Note:—The expression "Overseas Countries" includes all countries, except the United States

(1) Imports into Canada from overseas countries

Years ended March 31	(a) via Canadian ports		(b) via United States ports	
	Value of imports $	Proportion of total imports %	Value of imports $	Proportion of total imports %
1919	146,521,000	86.4	22,988,000	13.6
1920	238,296,000	90.5	25,135,000	9.5
1921	358,046,000	93.3	25,936,000	6.7
1922	219,749,000	94.8	12,097,000	5.2
1923	248,730,000	95.1	12,859,000	4.9
1924	278,221,000	95.3	13,890,000	4.7
1925	275,536,000	95.8	11,616,000	4.2
1926	304,492,000	95.5	14,219,000	4.5
1927	331,109,000	96.3	12,761,000	3.7
1928	377,402,000	96.9	12,118,000	3.1

This improvement has taken place partly by drawing the public attention to the importance of using our own ports and our own rails. I do not think that is a large factor. The main reason is that there have been various preferences, such as the small preference that was added a few years ago, which have brought it about. There can be no doubt about this, because those who recall the instance of the West Indian trade will remember that at that time a small preference was added for direct importation and the improvement followed so soon after that there could be no other explanation. The various trade agreements and treaties that have been passed by parliament in the last few years contain a clause that the preference shall apply when direct importation is made. This, too, has assisted in the improvement. I do not wish to convey the impression as to the

treaties and trade agreements that I approve those measures except solely as regards the one point of the mode of import. The merits and demerits of the treaties that we have passed must stand in a separate category and at the present moment I do not deal with them. So far as that goes credit is due to the government for the legislation that has been passed. In like manner equal credit is due to those on this side of the house who have persistently and steadfastly urged that the legislation be brought into effect and who have supported the measures when introduced.

I should like to point out, in reference to the West Indian trade, that not long ago a duty was imposed on bananas coming through the United States and that they were admitted free when imported directly. The United Fruit Company of the United States, a very large, wealthy and powerful organization, which has hitherto been importing through Boston practically all the bananas used in this country, has this year, owing to the duty, arranged to ship bananas from Jamaica to St. John and Halifax. It is doing that because it finds that this fruit can be introduced into Canada two or three days sooner than by shipping it via the St. Lawrence route.

The second great group is that of exports from Canada to overseas countries, and "now is the winter of our discontent," our disappointments and our remonstrances. In the period from 1919 to 1928 exports were as follows:

(2) Exports from Canada to overseas countries

Years ended March 31	(a) via Canadian ports		(b) via United States ports	
	Value of exports $	Proportion of total exports %	Value of exports $	Proportion of total exports %
1919	609,459,000	80.0	152,112,000	20.0
1920	606,808,000	78.2	168,656,000	21.8
1921	470,861,000	72.8	175,980,000	27.2
1922	300,225,000	67.1	147,427,000	32.9
1923	330,052,000	58.7	232,319,000	41.3
1924	390,965,000	63.8	223,678,000	36.2
1925	394,290,000	60.7	257,360,000	39.3
1926	510,417,000	60.8	329,952,000	39.2
1927	475,449,000	60.5	310,285,000	39.5
1928	458,594,000	61.1	291,607,000	38.9

The house will note the large percentage of trade that passes through the United States to the seaboard for shipment overseas. The other day the Minister of Trade and Commerce (Mr. Malcolm), in an interesting speech referred, as an illustration of what he regarded as indicative of a distinct distribution of wealth, to the records of car loadings as representing the movement of tonnage and the business which is carried on within the nation. I ask the houses to mark the words "within a nation." He said that the increase in tonnage had helped employment in the transportation systems. This afternoon the hon. member for Vancouver Centre (Mr. Stevens) also referred to car loadings and he was followed by the Minister of Labour (Mr. Heenan). This is the time when I think the Minister of Labour might, with some advantage, consider another viewpoint of the question of car loadings. The Minister of Trade and Commerce said: See the increase in car loadings in Canada and how from that follow the distribution of wealth and the employment that is offered by the railway people. But the minister failed to trace the course of many of these cars. He made no mention of the $291,607,000 worth of tonnage which was carried into another country for transshipment overseas. He made no mention of the loss at Canadian ports, nor of the loss of railway mileage on goods passing through the United States, nor —and I would ask the Minister of Labour to listen to this—of the loss of employment both on the railways and at ocean ports. I think I can fairly assume that about as much labour is required for unloading cars as for loading them. Many of the figures which the Minister of Trade and Commerce gave should be cut in half because those cars are unloaded in another country and consequently the employment that should come to our railway operatives, the additional mileage that our railways should have and the employment that should be available at our seaports, are lost because of this $291,000,000 worth of goods being shipped through the United States. The index number of employment would do some oscillation if these facts were plainly and fairly placed before the indicator. Some time we will be interested in learning just what is the number of freight cars that are loaded in Canada and unloaded in the United States. It would be most instructive and impressive to know just what is the number of cars that would be required to handle the freight to the value I have just men-

tioned. I do not for a moment say that there should or could be no transshipment through the United States, but I do strongly assert that the amount now being transshipped should be greatly curtailed, and that our own people, our own railways and ports, should have the benefits of that traffic.

I desire to draw the attention of the house to a report recently issued by the United States government, dated January 28, 1929. It is a report of the Secretary of State, the Secretary of Agriculture, and the Interstate Commerce Commission, in response to a senate resolution relative to the diversion of commerce from ports in the United States to Canadian ports. This inquiry was held at the instance of two American ports which complained that their trade was being diverted to Canada. The phrase "diversion of trade" means to us in Canada the "reversion" or the recovery of our trade, because the principal part of the trade in question is in Canadian goods. Whether or not these two cities were correct in complaining of the loss of trade, the loss certainly was not due to Canada securing that trade. The report itself states that there has been no diversion to Canada, and that on the whole the United States is well maintaining its trade overseas. I commend this extensive report to the attention of the members of the house. It was made after a thorough investigation, and it is always well to get another viewpoint and to learn how our neighbours are regarding questions of trade. I should like to read a few extracts from the report. On page 4 it says:

> On the basis of the value of Canadian commerce handled by American ports and the share of the total commerce of Canada obtained by ports of the United States in the years 1919 to 1928, it appears that the position of American ports has materially improved during this period. Not only is their position in 1928 superior to that in 1919, both on the basis of the absolute value and the proportion that Canada's commerce obtained, but taking the period as a whole there is a perceptible tendency towards improvement in their position.

Again:

> A comparison of the percentages of the total commerce of each country handed by the ports of the other shows that in the year ending March 31, 1928, Canadian ports obtained only 4.8 per cent of the total trade of the United States with countries other than Canada, while American ports obtained 26.6 per cent of the trade of Canada with countries other than the United States.

These are rather striking figures. Again:

> On the whole, available data as set forth in the preceding pages with respect to the movement of traffic through the ports of Canada and the United States do not seem to afford ground for apprehension concerning the welfare of American ports and transportation agencies.

Here is a similar quotation:

> In view of the year to year fluctuation and the lack of any pronounced trend, there appears to be no adequate basis for concluding that there has been any material change either favourable or adverse in the position of American ports with respect to the handling of American export traffic during the above period.

According to the tables given in this report, it appears that there is all the way from $60,000,000 to $100,000,000 more in value of Canadian exports passing through the United States than of United States exports passing through Canada. One table gives the figure as $60,000,000 more, and other estimates place it at $100,000,000. As I have said, the percentage is 26.6 as contrasted with 4.8 per cent.

The separate report which is attached, and which was made by the United States shipping board, is not so positive in tone as the report from which I have quoted, and yet there is no important divergence from the extracts which I have just given. I submit to the house that here is a clear indication that Canada, represented by its government, should be up and doing in this matter. We have heard what the American viewpoint is. They think that they are gradually improving their ocean export trade as compared with Canada. The trend is favourable, they say, and it is for us, and for the government above all others, to set about and see what can be done, not in any antagonistic attitude towards the United States, but with a view to recovering our own Canadian business and securing the employment and returns that will develop therefrom for all our people.

What is to be done to improve the Canadian overseas export trade through Canadian ports? Certainly the action of the government is a large and important factor in this case. It is for the government to have regard for the interests of our country and our people. It is true that port facilities are being improved, and that is important, and in the direction of recovering our trade.

If there be the impression that the Atlantic ports are destined to carry on only a moderate amount of business, and that only in the winter months, that impression can be promptly and completely set aside. The Atlantic ports expect to secure, and will secure, a large overseas trade throughout the year, and gain what should have been theirs years ago. About half of our Canadian grain is exported through Canadian and about half through United States ports. Had the Crowsnest pass rates been made to apply only when transhipments were made through Canada, those rates would have borne more of a national character. Our

canal system with its freedom from toll also occurs to one in this connection. One of the purposes sought to be achieved in building the transcontinental railway, according to the preamble of the act, was:

> The development of commerce through Canadian ports.

This is another instance of what I am suggesting. These instances, with a full consideration of section 66 of the London agreement, all point the way to the establishment of free ports on our Atlantic seaboard.

Recently the city of Quebec secured a satisfactory grain rate on the national transcontinental railway. This year when the maritime board of trade proposed to appear before the railway commissioners to apply for a rate on grain based on the basis of the Quebec rate, what do we find? Let me read a Canadian Press despatch of March 13:

> The Montreal board of trade to-day endorsed a resolution adopted by the Corn Exchange Association opposing the application to the Board of Railway Commissioners by the Halifax harbour commission and the maritime board of trade for a reduction of 35.5 cents to 19.34 cents per hundred pounds in "all-rail" rate on grain from Fort William, Port Arthur and Armstong via the national transcontinental railway to Halifax, Nova Scotia, and St. John, New Brunswick, for export. The endorsation will be forwarded to the Board of Railway Commissioners.

Here is the comment of the Telegraph-Journal of St. John, dated March 15:

> The Montreal board of trade appears to have come to the rescue of American ports. It has adopted a resolution which had previously been adopted by the Corn Exchange Association, protesting against giving a rate on grain to St. John and Halifax based on the rate which has already been granted to the port of Quebec. The harbour commissions of St. John and Halifax have asked that the lower rate be given to these ports, and are confident that the railway commission will recognize the justice of their cause. The national transcontinental was built to give a through route without excessive grade, to enable the grain of the west to reach the Atlantic seabord, and necessarily in winter to the ports of St. John and Halifax. Quebec laboured long before it was granted a satisfactory grain rate, and the maritimes are still labouring.
>
> The members of the Montreal board of trade are quite content that as a result of the tariff the people of the maritimes pay tribute to the central provinces, but when it comes to the matter of doing justice to these ports in the grain rates, that board stirs itself to action to prevent a measure of justice being granted.

Of Canadian grain that passes through eastern Canada, over 80 per cent goes through Montreal. I draw your attention, Mr. Speaker, to those two trade organizations in the great city of Montreal endeavouring to prevent the development and expansion of trade in other portions of the Dominion. There is no room for a trade octopus in this country. I am satisfied that our people will not tolerate an effort such as these two boards are making to stifle and strangle the development and expansion of trade through other ports of this country.

In conclusion, Mr. Speaker, allow me to sum up what I have endeavoured to place before the house:

1. Direct overseas imports into Canada are steadily improving over overseas imports into Canada through the United States;

2. Overseas exports from Canada are very unsatisfactory owing to the excessive exports passing through the United States;

3. Increased effort can and should be made to retain our own export trade;

4. Favourable freight rates should be afforded for securing export trade through the Atlantic free ports of Canada, and finally, resulting therefrom, greater utilization and increased trade of these ports throughout the year.

Mr. M. J. MALONEY (South Renfrew): Mr. Speaker, I have no desire to prolong this already lengthy debate other than to do my plain duty as a member of the House of Commons. If there is one occasion on which a member should state his views, I believe it to be in the discussion of the budget. The budget is really an auditor's report, coupled with a statement of present and future fiscal policies. As our oath of office binds us to support in every manner possible those acts of government which we believe to be in the interests of the country, and with equal vigour to condemn those which we believe to be the opposite, I for one have no hesitation as the representative of a very important section of this country in standing here and discussing the matters before the house.

The budget, as I say, is the auditor's report. Suppose one of our great banking institutions, one of our great insurance companies, or any other of our great financial corporations, were holding its annual meeting, and the shareholders were obliged to sit down and listen to such a lean and unsatisfactory statement as this government has handed out to the shareholders—the people of Canada—what would the shareholders in any of those corporations say? My belief is that they would readily make up their minds to change the management; and, Mr. Speaker, I have no hesitation in expressing my firm conviction that at the very first opportunity the people of Canada—the shareholders—will change their board of management.

I sympathize with the Minister of Finance (Mr. Robb). He made the best of a very bad case. He used in profusion the grand old battle cry of the Liberal party—lower taxation and economy. And those of us who sat face to face with the Minister of Finance could hardly think it possible that he would mention the words lower taxation when in another very important part of his official statement he observed that last year he collected from the people of Canada almost $430,000,000, while this year he intends to take out of them more than $455,000,000. In other words, he intends to wring out of the people of Canada this year $25,000,000 more than he took last year. Economy! He extolled economy. They are the greatest savers on the face of the earth. Well, what have they done? Last year he told you we spent almost $363.000,000 and this year we are spending $385,000,000; in other words, we practise economy to the extent of spending $22,000,000 more this year than last year. That is certainly economy with a vengeance; it is a very peculiar species of economy, a species which we do not very often see to-day. It reminds us of the old shell game which we used to see at fall fairs in the days gone by. Here we have a government who lower taxation and collect more taxes, extol economy and spend more money. What a singularly wonderful combination of men, a combination of men equalled only by the old sleight of hand artist we saw years ago on the stage, who could deftly flip the cards over and turn them back again. These claims of economy and lower taxation, Mr. Speaker, are really no more fantastic than are the claims which are being circulated throughout the country in the government's propaganda in an endeavour to make the people of Canada believe that we are all prosperous. The only measure of true prosperity lies in the distribution of wealth, and if we follow the arguments advanced, if we follow the full page advertisements in the newspapers for which we are paying and which tell us that we are a prosperous people, if we allow our minds to run along this channel long enough, we shall finally reach that state of mind in which we shall become obsessed with the idea that we are all millionaires. And what a rude awakening there will be for many and many in this country.

Let me ask the Minister of Finance this question: Is he really sincere when he makes the statement that we are indeed prosperous? I would ask him to look a little deeply into that question. Let him go out and face conditions as they are. Let him go out for example among the great wage earning class; let him go into the workshops and, if you will, into the bread line where many a workman is to-day and has been for the last few months; let him go into the humble home of that workman, sit down side by side with him, and ask him whether he feels more prosperous to-day than he did six or eight or ten years ago. And what will the answer be? "No; I am not more prosperous, As a matter of fact I am finding it more difficult all the time to make both ends meet. I am having a hard time to support my family. But that is not all; I am worried because, in the event of my being cut down before this family has become self-supporting, I am in the unfortunate position of being unable to provide insurance to take care of them when I am gone." Not only will the labour man tell him that. Let him go among the farmers of the country; let him go into the beautiful farming sections of this Dominion, and what will he find? He will find farm after farm abandoned; he will find areas once abundantly productive now waste places. If he goes into the homes of those who still live on the land he will find debt there; he will find worry; he will find farmer after farmer with a mortgage on his land, farmer after farmer unable to secure the money to meet the taxes on his land. This, Mr. Speaker, should not be the case in such a wonderfully productive land as we have. These men are left in this position because their markets have been all stolen; they have no hope for the future. Yet the Minister of Finance would try to make us believe that we are indeed a very prosperous nation. Talk about prosperity! The balance of trade is mentioned with great jubilation by this government. But they forget that at least three-quarters of the exports of the country are in the raw or semi-raw state; they forget that they are shipping out of Canada the very things that should make Canada wealthy, handing them over to some foreign nation for the enrichment of its people. In addition to the raw and semi-raw products they are exporting, they might as well include a very highly manufactured article, the product of this country, the fifty or sixty thousand boys and girls who are exported year after year, boys and girls who are compelled to leave this land to earn an honest living abroad. And if each one of these boys and girls has a potential value of $10,000, you can easily see how the government can to a still greater extent increase the favourable balance of trade.

I would ask the minister what this budget will do to lighten the burden and make easier

the way of the ordinary citizen of this Dominion. It is true that when the Ontario farmer pays his annual visit to the province of Nova Scotia he will save possibly a quarter on his railway ticket and an equal amount on sleeping car accommodation; and when the poor fisherman, after drawing that yearly $300 in Nova Scotia, takes his annual holiday at the coast, he will find that he has saved possibly 50 cents on his railway fare. That is a wonderful boon and I am sure the fisherman and the Ontario farmer and all of us are delighted that the minister has seen fit to make our lives so much easier by reducing the tax on railway and sleeping car tickets. Again, to take another item: When the workingman who labours six days out of seven draws his princely cheque of $15 on Saturday night and finds it necessary to buy a suit of clothes for his son, he will go into a store and discover that $5 is the lowest he can pay; so three hearty cheers the poor old labourer will give for the Minister of Finance when he finds that he has saved five cents on that suit of clothes for his son. That is one of the great benefits accruing from the budget which has been brought down by the minister.

Had the government of the day been really sincere in their endeavour to aid the people of the country generally, that sales tax would not be in existence now. Had they followed the resolution proposed, I think, by my hon. friend from South Wellington (Mr. Guthrie) not one but two years ago, they would have abolished the sales tax on articles of wearing apparel and on boots and shoes, and thus would have shown that they were indeed endeavouring to do something for the ordinary citizen of the country. But this budget is a worthy successor to several of its predecessors from the same source. There is no relief for the farmer; there is no relief for the labourer other than the old time worn injunction, work harder, spend less, and pay more taxes.

This government claim to be the friend of the farmers, and why? True, they have reduced the duty on agricultural implements, but to-day the farmer is paying more for his implements than he paid before that reduction was made. To that extent they have benefited the farmer. Not only is that the case, but they have reduced the tariff on woollens and on certain grades of yarns, and by that act they have driven out of business many textile plants throughout Canada; they have so tied up the textile business in this country that what was once a prosperous industry is now barely hanging on by its finger nails. As a direct result of that policy, to my knowledge in this Ottawa valley at least seven woollen mills have closed their doors. In addition to that, many farmers in this district and throughout the whole country who found the raising of sheep a profitable industry have gone out of that business because when wool went down they could not make any money. Mutton was allowed to enter Canada to compete with our own product, and that made the situation so much worse. The Prime Minister of Canada has had some experience in raising sheep and chickens; a few years ago he launched a bold scheme and became a sheep farmer. He procured the land and bought a flock of high grade sheep, which he placed in charge of a shepherd; things went well for a time but eventually, after this act of his own government, he was obliged to abandon the project and to-day while he still has the land, the sheep and the shepherd have disappeared. He still has the chickens, but if the government allow eggs to pour into Canada as they have done in the past few years eventually he will abandon the chicken game also.

What else have hon. gentlemen opposite done to show their wonderful friendship for the farmers of this country? They negotiated a treaty with New Zealand and point to it as the greatest aid our farmers ever were given. How has it worked out? Last year we imported from Australia and New Zealand 2,000,000 pounds of beef and mutton and 16,000,000 pounds of butter. Is that encouraging home production? Is that encouraging the farmers of Canada? I represent a county very well suited for the raising of stock of all kinds, well adapted for dairying and for poultry raising. A few years ago the farmers were going in for dairying and sheep raising quite extensively but to-day, because of the acts of this government, they fear to move, and our dairy and sheep industries are falling off. In that great inland county, thousands of miles from New Zealand, to-day we are eating New Zealand meat and butter and American eggs. Why should that condition exist? How does that encourage the farmers of this country? If those products were shut out completely or if those countries were compelled to trade with us on a fifty-fifty basis our farmers would be encouraged, they would be more content and happier than they are to-day. But this government encourages production at home. Why, Mr. Speaker, there never was a government in the history of this country which did less to encourage production at home and in fact did more to prevent it, yet they are the friends of the farmers and of the people gen-

erally throughout Canada. How any farmer in this country can support the present government is an unsolved mystery to me, yet quite a few of them even in this house will continue to stick as long as the sticking is good.

In addition to being the friend of the farmer and encouraging home production this government are the champion spenders of all governments of this country. They let money float around like chaff, but the funny part of it is that some of the most laudable projects are turned aside while others of less value are readily accepted. Quite recently this house considered the question of a grant to the provinces in aid of technical education; that request was rudely turned down, yet with great alacrity this same government handed over to Vincent Massey more than $700,000. What has Vincent Massey done to cost this country that amount of money? He has done nothing so far as I know. Oh, yes, he did one thing; he arranged a passage for the Prime Minister of this country on a French boat sailing from an American port when the Prime Minister left to attend the peace pact conference in Paris. Our Prime Minister and Mr. Kellogg did their work nobly, but I fail to see where Vincent earned his $700,000. While we were all behind the Prime Minister in his magnificent efforts overseas I might tell him that we would have felt much better and that the honour of Canada would have been upheld to a much greater extent if he had sailed from a Canadian port on board a Canadian vessel.

Technical education is absolutely essential in Canada to-day. Our whole system of education is of an academic kind. Once we enter the lower grades of the public schools our system heads us straight for the university; our system of teaching is based on no other idea, and we forget that a very large percentage of the people of Canada never see a university. We overlook the fact that our boys and girls who do not intend to take advantage of the opportunity to go to university should be trained in some vocation which will be of use to them when they go out into the world to earn their own living; they should be taught carpentry, book-keeping or some other trade or vocation which will make them useful citizens of Canada. That is the idea of technical education, and with that idea in mind the various provinces to-day are advocating more and more a system of technical training. Our hon. friends opposite, however, prefer Vincent Massey to the education of our children, so what are we to do?

Is this a spending government? It is. They spend millions of dollars to destroy perfectly good buildings in Ottawa but they have not a five-cent piece for a national highway. That is a project which would give employment to thousands of our citizens from coast to coast; it would link up the east with the west and would allow a resident of Prince Edward Island to cross Nova Scotia, New Brunswick, the great provinces of Quebec and Ontario, on through Manitoba, Saskatchewan, Alberta and British Columbia to the coast without setting foot on foreign soil. That is the great advantage of a national highway, and in addition it would bring to this country an untold tourist traffic from all over the world. But our friends on the government side prefer to tear down buildings in the heart of Ottawa rather than to build a trans-Canada highway. They are destructive rather than constructive.

Then we have the tariff board. This board has been in existence two years and even the chairman of it does not know the first thing about its operations. Here is what he said on page 5 of his report to the Minister of Finance:

> Difficulty exists as to determining the nature of the advice we are presumed to tender to the minister. Applications in regard to customs invariably contain submission of evidence with the object of obtaining relief, whether by upward or downward revision of the tariff. Parliament alone can grant that relief. What then becomes the nature of the advice expected from the board?

Here is a tribunal which costs the Dominion of Canada many thousands of dollars each year, and the open confession of the chairman of that board practically amounts to an admission that the only thing he knows with certainty about the operations of the board is the fact that he and two fellow commissioners draw a fine, fat cheque at the end of each month.

The money which is used in maintaining this board could well be spent in many other ways. I would advise the Postmaster General (Mr. Veniot) to get his claws on that money. He can use it, because his department is supposed to be operated for service and not for profit. The people from end to end of this country are crying out for improved rural mail facilities, and I leave it to the good judgment of the Postmaster General if it would not be wiser to close up the shop of the tariff board and spend the money in extending the rural mail system.

While I am on the subject of the Post Office department, I would like to mention a matter which is operating to the disadvantage

of a great number of our people. I refer to the special privilege which is given to the large mail order houses of this country. The mail order houses are expanding slowly but surely, and the day is bound to come sooner or later when the old time general merchant will be forced out of business and the merchandising of our country will be in the hands of a few. The Postmaster General is aiding those mail order houses by allowing the use of the mail at a sacrifice price. About two or three times a year these great mail order houses send out many hundreds of thousands of catalogues, the great silent salesmen. Every time an article is ordered from these catalogues it works to the disadvantage of the general merchant. Every transaction with a mail order house must be on a cash basis, while the general merchant carries the settler for from one to three years. The Post Office department is aiding and abetting these large firms in going in and taking the bread out of the mouths of the country merchants. I know of one town in my riding where nearly a carload of these catalogues came into the post office and were distributed to the settlers within a radius of twenty miles at a cost of seven cents apiece. Had these catalogues been obliged to pay the regular mail rate of one cent for every two ounces it would have meant that the Post Office department would have received eighteen cents on every catalogue. That would have totalled about half a million dollars which could have gone to the treasury of this country, and at the same time an unfair advantage would not have been taken of the country merchants. I ask the Postmaster General to look into this matter and if possible to give some relief. The Postmaster General might use that extra money in extending the rural mail system, taking it along with the money which is being wasted by the operation of the tariff board. He could start many rural mail routes, but I suppose he would rather have the tariff board, which is helping the big corporations, and let the poor fellow out in the country walk from one to five miles to get his mail. As I said before, the Post Office department is operated for service without profit, but it is a service to the great plutocrats, in the same way this government has been rendering service to the rich men of the country ever since it became a factor in the affairs of Canada.

The budget is a rich man's budget. It helps the man who travels a great deal or the man who sends many telegrams; it helps the man who is purchasing large articles; and it helps the man who deals in high-priced mining stocks at the expense of the man who deals in the penny stocks. It is generally the poor man who deals in the penny stocks, and they are being penalized while the high-priced stocks are allowed to go practically free. I would like to call to the attention of the Minister of Finance the fact that some of our greatest mining institutions in Canada were once listed on the market as penny stocks. Had this unfortunate tax then been in effect we might not have had the opportunity of developing those rich properties.

I would like to touch for a few moments upon the question of the exporting of raw materials. We have no conception of the amount of money we are handing over to the United States by permitting our raw products to be exported as they are at present. In the county town of my county there is a factory engaged in the manufacture of matches. They utilize poplar wood very largely in the manufacture of those matches. Every winter the farmers cut a considerable amount of poplar pulpwood and they sell that wood to the buyers at a price of from $6 to $8 per cord. It is then loaded on the train and shipped to the United States, and our railways get possibly $2 per cord. In other words, we derive from $8 to $10 per cord from the sale of that wood. Let us see what happens when a cord of poplar wood is used in the manufacture of matches. From the time it leaves the stump until it is turned out in the finished product, a cord of wood represents the distribution of $60. Compare that with the price received for the wood we ship to the United States. There is a difference of $50. Where is that $50? It is down in the pockets of the boys and girls of the United States when it should be in Canada to be spent among our own people. But these matters have been so long urged upon and consistently brought to the attention of the government without result that I fear for the future of this country if the present government is allowed to remain in power any longer.

We have a Minister of Immigration, and a good one, but as a matter of fact we should not have a minister of immigration at all; we should not need one. As everyone will admit, we have the finest country in the whole wide world. We have resources without end; we are economically independent of the whole world; we are self-supporting from every angle, and if our affairs were run properly, we would require no minister of immigration; we would have no reason to go out among foreign nations and seek for people to come to our shores. A proper system of immigration is this: Let us make Canada a country worth living in, and who will come

back within our borders? Our own boys and girls who are to-day across the line longing to come back to their old homes but who cannot do so because they are unable to make a living here. Make Canada a country fit to live in and these boys and girls will return. What we need to make this country worth living in is a government which will give confidence not only to our people but to the foreign investor. Both outside of and within Canada are millions of dollars awaiting a favourable opportunity for investment, millions of dollars awaiting their chance to be used in the development of our great natural resources; but the capitalists fear, and they have reason to fear, an inactive, wavering, insincere and compromising government, and they are afraid to invest their capital. With a strong, stable government in power, with money flowing in on every hand, factories which are to-day locked up tightly will again swing open their doors; plants which are now masses of rust and ruin will start up again; our boys and girls will flock back to Canada and our country will once more be prosperous as it should be. When our own boys and girls come back I would suggest this as a policy of immigration: Go throughout the length and breadth of the wide world and pick the best class of men, no matter from where. Coming from the county of Renfrew I can testify to the singular ability of the German and Polish immigrants as settlers on the land. We have in that county a large Polish population and no better people than these ever lived on any land. If we had a million or two or three millions of these Poles in Canada along with Germans, who are equally good, they would help to build up a great country for us.

I would like to touch for a few minutes on the railway situation. I was amused a short time ago when I heard the hon. member for Inverness (Mr. Macdougall) complain about the railway facilities in his constituency. He stated that they were the worst in the world, and I believe he brought the matter to the attention of the Minister of Railways (Mr. Dunning). A day or two afterwards the hon. member for Cumberland (Mr. Smith) stood up and went him one better. He said that he had the very worst railway in the whole country and he urged the Minister of Railways to take it over and amalgamate it with the Canadian National. I would ask the hon. member for Cumberland to hesitate, because I want to say both to him and to the hon. member for Inverness that if they visited the county of Renfrew and saw the railway situation as it exists under the name of the Canadian National, they would return home and, travelling on their own railways, would imagine they were on a Chicago flier. There are two points in my county which are sixty miles apart, and hon. members will be surprised to learn that it takes four days to make the trip one way on a passenger train. That is in the county of Renfrew, one of the finest counties in the whole Dominion of Canada, and it has occurred under the unfortunate management of the Canadian National railways.

Mr. T. H. STINSON (Victoria, Ont.): Mr. Speaker, I desire to take this opportunity of congratulating the hon. member for South-east Grey (Miss Macphail) on the splendid address which she delivered in this chamber this afternoon. I believe that after two or three more sessions of parliament, she will be content to leave her farmer friends in the hands of the Conservative party.

The budget speech of the Minister of Finance (Mr. Robb) grows in importance to the people of Canada year by year, and for the last seven years it has been awaited with anticipation and concern by increasing numbers by reason of radical tariff changes or suggested or mooted changes therein. I congratulate the Minister of Finance upon the clear, concise statement that he has given us this year, but my congratulation is much deeper and much more sincere by reason of the fact that this year no radical changes in the tariff are suggested. The government is apparently settling down to a policy of tariff stability. The problem of the tariff has been one of the most persistent and controversial in Canadian history, affecting as it does either directly or indirectly the well-being and prosperity of every citizen in Canada. The government has tinkered with the tariff every year since 1922, with the result that there was nothing but uncertainty in our industrial life for the workers and for the manufacturers, and this had a depressing effect upon the whole life of Canada. If this budget spells stability in tariff—and I hope it does—then we have gone a long way towards creating and fostering an era of prosperity for this country. Let us proclaim to the world once again that the settled policy of Canada is that of reasonable protection.

I congratulate the Minister of Finance further upon his timely reference to our neighbour to the south. Although timid indeed, yet it states that in case the United States should implement by legislation its tariff proposals directed in the interest of their farmers against the products of the Canadian farmer, measures will be taken to

protect the interest of our Canadian farmer. I would let the United States understand clearly and without equivocation that their citizens cannot have their own market and ours too, save only on the basis of fairness to our people. The policy of the government of this country should be to protect our farmers and to give them the full benefit of our home market. The farmer in Canada is competing with his fellow farmers in other countries under conditions of absolute unfairness. The product of the foreign farmer is brought into this country under a relatively low tariff or, in some cases, under none at all, while our farmer is forbidden access to other countries save over a tariff wall. Our neighbour to the south has excluded from that market more and more of the products of the Canadian farmer. The Hoover election was fought on the ground of more relief to the American farmer by higher tariffs and the retaining of the American market wholly and unreservedly for the American farmer. What have we to gain by giving our home market in vegetables, vegetable products, fruits, grains, meats, eggs, cheese and butter to the American and other farmers? If the American wants our market, let him compete in it on terms of fairness to our manufacturers and farmers who desire to compete in the American market. What are the terms of competition at present? This is a table of compartive duties on farm products:

American Duty	Canadian Duty
Wheat, 42c. per bushel.	12c. per bushel.
Corn, 15c. per bushel.	Free.
Alsike clover, $4 p. 100 lbs.	$1.50 p. 100 lbs.
Hay, $4 per ton.	$2 per ton.
Butter, 12c. per lb.	4c. per lb.
Cheese, 5c. per lb.	3c. per lb.
Eggs, 8c. per doz.	3c. per doz.
Potatoes, 50c. per 100 lbs.	Free.
Peas, 60c. per bushel.	15c. per bushel.

Is it not time that we attempted to play fair with our farmers and give them the same degree of protection as the United States government gives its farmers? Keep for our own people the home market, which is the most profitable, and free from all the complicated and vexed problems that relate to the foreign market. Peas from Japan and Belgium are right now replacing Canadian peas in our own market. Potato flour is being shipped in from Belgium, and our farmers cannot get a decent price for their potatoes.

No country in the world seems to be so alive to the retention of its home market as the United States, with the result that they consume 87 per cent of all their products both grown and manufactured, and export only 13 per cent. They check and follow importations a great deal more closely than we do. Let me give you an instance in the milling trade. Buffalo in the last seven or eight years has built up the largest milling industry in the world. Under the Tariff Act of 1922, section 311, Canadian wheat can be shipped into the United States in bond for milling, and thus escapes the duty of 42 cents per bushel. The wheat is milled there, and shipped out to compete with Canadian flour in the world market, thus giving the American labourers a payroll of $1,950,000, in which Canadian workmen can participate only by leaving Canada and making their homes in the United States. There is also lost to our Canadian railways the freight on the movement of the wheat to the mills and the flour to the seaboard, which amounts to upwards of $1,500,000, and a further loss on the offal of about $650,000. Here again the American railway man is getting the payroll instead of our good Canadians. At the present time the American mills are importing in bond about 17,000,000 bushels of Canadian wheat for the export flour trade. The American farmer now objects to this, and the matter has recently been submitted to the ways and means committee at Washington, and a merry fight is being waged. The Buffalo millers, in their brief, point out, as I did a year ago in this house, that if the practice was stopped it would not affect either the American farmer or the Canadian farmer, as this Canadian wheat is ground for the export market. The export market is there just the same to be supplied with 16,000,000 barrels of flour made from Canadian wheat, no matter whether it is ground in the United States or in Canada. The Buffalo millers further point out that if the administrative features of the present American tariff were abrogated or made more rigorous to the miller grinding in bond, the advantages in milling possessed by Canada would without question draw United States milling-in-bond trade to Canada, and thus give us a payroll for our labourers, and increased freight for our railroads with increased man power to handle it.

It should be the purpose of government to direct and mould the business policy of our country for the development of our natural resources, and thus give employment to our citizens. A nation cannot exist without people, people cannot exist without homes, homes cannot be maintained without money, and money can only be obtained by the multitude by work, and by labour. Therefore if a government fails in its duty so to direct its policy as to foster and provide work and labour at a fair remuneration, it fails in its duty to the people. The test of a good budget should then

be: What does it contain to create industry in order that the foundation of the nation may be maintained in the building up of happy and contented homes? Does the present budget contain one tariff change that will develop a new job capable of employing an additional Canadian boy in Canada? I have failed to find such a change, and the most that can be said for it is that it is, in the words of the Financial Post, "an innocuous budget."

After the budget speech of the finance minister had been delivered, I wrote to a friend of mine who is engaged in the manufacture of woollens, and who has been a supporter of the present administration, and here is what he has to say:

> The evidence brought out before the tariff commission in Ottawa by the textile mills showed that the importations of blankets and rugs, from Great Britain is increasing each year. Our mills are specially equipped for the manufacture of blankets. Each year our trade has continued to fall away as the competition has grown keener.
>
> The large dealers, such as departmental stores and jobbers can purchase blankets in England and Scotland, and lay them down in Canada for a lower price than it costs us to make them. This is due to the lower cost of labour and coal. The standard of living is so much higher in Ontario than it is in Europe that we cannot get work done on the same basis.
>
> Textile machinery is not made in Canada, but up to a year ago it was brought in subject to from 10 to 27½ per cent duty. The government, a year ago, changed this and allowed machinery from Great Britain to come in free, but this is no benefit to us as there is now more textile machinery in Canada than can be used. The government also allowed free yarns, but this is no benefit to woollen mills as they all make their own yarns.
>
> The importations from Germany and France into Great Britain, free, undersell the British manufacturers, who in turn ship the products of their mills into Canada at such low prices they claim they cannot continue to exist, and they are now asking the British government to safeguard their industries against this invasion of their livelihood.
>
> In the past few years woollen mills that made blankets have closed their doors and nailed up their windows or are being dismantled. One at Chatham, one at Mitchell, two at Renfrew, one at Carleton Place, Midland, Rockwood, Glen Williams, Bullock Corners, Dundas, and many others.
>
> Unless the government restores the duty which was taken off a few years ago, at a very early date other mills will be compelled to cease operations, thus throwing more workmen out of employment. This has a serious effect on towns and villages where these mills are situated, and makes the matter of unemployment a real problem.

That letter comes from a supporter of the present administration. Every effort is being made by the farmers growing wool in Canada to increase the quality and volume of their product. The wool growers, the manufacturers, the agricultural colleges, and the National Research Council are all cooperating in research work in the growing and the use of Canadian wool. Canadian grown wool is particularly adapted for making blankets and woollen cloth such as tweeds. Blankets and woollen cloths made from Canadian wools are better wearing, warmer, and of superior quality to those made from wools in any other country, and yet the woollen schedule of this government gives practically no protection to this important industry, and thus damages the industry and the farmer who produces wool.

In nine months ending December, 1928, there were $751,010 worth of household blankets imported as against $652,768 worth in the same nine months of 1927. I was sufficiently interested to obtain the December, 1928, figures of imports, and I found that there were blankets coming in from Czechoslovakia at 99 cents a pair; from Belgium at $1.10 a pair; from the Netherlands at $1.62 a pair; from Germany at $2.15 a pair; from the United States at $2.03 a pair, and from Great Britain at $3.69 a pair. These low average prices indicated by the import figures do not seem to be reflected in the prices at which blankets are bought by the consumers in Canada, and I submit that an increase in the duty would therefore have no effect on the retail prices of blankets, but would result in more blankets being made in Canada by Canadian labourers and from wool produced in Canada, which would benefit the farmer, the labourer, and the manufacturer, and make more jobs in Canada for our boys and girls.

Canadian wool is particularly adapted to making the bulk of woollen cloths used in Canada. For nine months ending December, 1928, under the heading "worsteds and serges including coatings," there was imported into Canada $9,642,572 worth. The British government figures for twelve months ending December, 1928, show that they exported to Canada 17,473,000 square yards of woollen cloth valued at $12,743,525—and this is to the detriment of Canadian grown wool, which is particularly suited to the making of woollen cloth. It is the duty of this parliament to see that adequate protection is given to the blanket and woollen cloth mills in Canada which make the types of cloth for which Canadian wool is particularly adapted.

It is stated on all sides that our great need is population. If that is the case the government must find ways and means of employing the population we have and making new

jobs for those we desire to add to our population. Consequently the efforts of the government should be bent to the task of creating work in Canada; and our efforts should be directed toward the work of building up a balanced population. The farmer says: If you bring in more farmers and settle them on the land you are intensifying competition for me, and this will help to lower the price of my product. The labourer says: If you bring in additional labourers there will be more competition for the available jobs in Canada. Therefore it is necessary to build up a balanced population in terms of occupation to a point where Canada will present a fairly harmonious economic unit; where the burden of taxation may be so distributed over more shoulders that it will bear lightly upon all; where our transportation machine may be operated efficiently and economically, and where the local consumption of industrial products may be large enough to give industry and the consumer the benefit of savings incidental to quantity production. We cannot overlook the fact that the first duty of a young nation is to make itself economically secure.

It is time Canada took stock of herself, of her resources and her institutions, and commenced to formulate national policies in keeping with her peculiar conditions and limitations. We should strive to reach our effective minimum population and always endeavour to maintain a fairly balanced population in terms of occupation. Build up agriculture and industry side by side. What Canada and many other countries have suffered from during recent years and what has given rise to general unemployment is not necessarily overpopulation, but unbalanced production, and there should be no widespread unemployment in Canada if corrective methods were employed by our government.

In considering the social value of the citizen we must not overlook his performance as a consumer of the products produced within the state. This has an important bearing on employment and general prosperity. Every man, woman and child added to our population is a potential consumer to the extent of $243.30 of manufactured goods, and of farm products to the extent of $87.50.

Mass production is the essential element in successful modern industry. Canadian agriculture will suffer by reason of inflated prices leading to a higher production cost until our general consuming population reaches a point where our industries can function more effectively, and thus reduce commodity prices, resulting in a lower cost of farm operation and of living all round. Until we can bring about a spectacular increase in population the present handicap of high commodity and operating costs cannot be removed. Increasing our imports cannot do this, for imports give the job to the foreigner and not to our own citizens. The farmer is sending his product to the export market, to maintain the workman there to manufacture the goods we are importing, instead of bringing the workman to Canada to make his goods and articles here and thus consume our farm products here.

The importation of 20,000,000 pounds of New Zealand butter is unfair to our farmers. This is the result of the Australian treaty. The bonus given by the Australian government to its farmers on all butter exported permits the Australian to carry his butter to Vancouver without cost, as the bonus pays the transportation charges. Australian and New Zealand butter can be shipped on a through rate from Vancouver to Montreal at $2.30 per 100 pounds. The rate for the British Columbia producer to Montreal is $3.58½ per 100 pounds. So the Australian can ship his butter to Montreal, pay the freight and 1 cent per pound for duty and lay it down for 28½ cents per 100 pounds less than our British Columbia producer. Saskatchewan and Alberta are similarly affected by this unfair competition as well as Ontario. The Saskatchewan producers are now of the opinion that there should be a general tariff on butter which would give our Canadian farmer protection in his home market, which is the proper solution of the problem. Twenty million pounds of butter imported in one year would keep 100,000 cows busy the year around in Canada, and would give employment to a large number of people in caring for the cows and handling the product. If we kept our home market for butter for our own farmers an additional ten thousand farms could be occupied in Canada. The competition which affects our farmers most is from New Zealand, and New Zealand gives us no benefits in return.

And what of the egg situation? Last autumn at the most critical time for our egg men fifty carloads of 500 cases to the car

were brought in from the United States, to the great detriment of our market, as eggs collected in April, May and June are put on the market in October, November and December of the same year, and large importations at that time seriously prejudice our poultry industry. Under the new government grading of eggs large quantities not up to the grade of extras or firsts, owing to size, soiled shells, and so forth, must be marketed as seconds. These together with cracked eggs are broken into cans, frozen, and supplied to the bakers the year round. Approximately four million pounds of this product are used in Canada. This frozen egg industry is a very valuable asset to the poultry industry, because if all the frozen eggs consumed in Canada were Canadian eggs it would relieve the market of approximately four million dozen of the grade of eggs which it is most difficult to sell. If there is no protection to the egg buyers from these importations it means that our farmers must necessarily take a much lower price for their supply during the collecting season of April, May and June. Our tariff is three cents a dozen against the American tariff of eight cents a dozen. Last year's tinkering with the egg tariff is going to have the effect of a very much decreased price to our farmers this year, as huge losses were sustained by the packers in 1928 on the eggs they purchased from the farmers in April, May and June of 1928. Frozen eggs imported from China to the extent of upwards of two million pounds per year should not be allowed to come here and compete with our own eggs, nor should they be allowed to be used by our bakers and restaurant keepers if the statement made by a member of the deputation which waited on the government in the spring of 1928, in reference to the repeal of the dumping clause is true, as to the sanitary conditions under which they are put up in China. He said they were put up under conditions that were absolutely unsanitary.

All this tariff trouble has been brought about by reason of the fact that our Liberal friends have been successful in making a section of our farmers and others believe that a tariff is an invidious thing and should be discarded. In the platform of the Liberal party in 1921 we find the following words:

> Whereas the protective tariff is the most wasteful and costly method ever designed for raising national revenue because for every dollar obtained thereby for the public treasury at least three dollars pass into the pockets of the protected interests, thereby building up a privileged class at the expense of the masses.

And yet in spite of that declaration this government has collected in the last year—after having had eight years in which to change the method—$185,000,000 from customs dues—the largest amount ever collected from customs dues in Canada, in any one year. If they believed what they preached to the electorate in 1921-1925 and 1926, and for many years prior thereto, then they should have wiped out the tariff and made good their declaration that the system is wrong. When you go into the figures carefully the fact is revealed that the farmer is not affected to any great extent by the tariff, and if he were given protection for his farm products then the account would be balanced. Let me work out the account for you. If a farmer purchases a complete line of implements costing $2,267.25, the net duty he would pay is $54.31, as follows:

Implements	Selling price	Dutiable value	Tariff rate	Net duty
8 ft. binder	$ 275 00	$170 00	6 %	$10 20
6 ft. mower	110 00	55 00	7½%	4 13
12 ft. hay rake	63 75	38 00	7½%	2 85
16 x 16 disc harrow	76 50	45 00	7½%	3 38
20 dble. disc drill	243 25	150 00	7½%	11 25
1-3 furrow engine gang plough	155 00	100 00	10 %	10 00
5 section drag harrow	32 75	20 00	10 %	2 00
3½ x 3 wagon (complete)	166 00	105 00	10 %	10 50
1 15 x 27 tractor	1,145 00	nil	nil	nil
	$2,267 25	$683 00		$54 31

The average life of the implements mentioned in this table is from eight to ten years, and if you put it at the lesser figure of eight years the duty on his machinery is $6.79 annually.

Now then, let us treat the farmer's food products in the same way, leaving out the non-dutiable articles. We find he pays in duty on food products annually $21.01, made up as follows:

Amounts	Rate of duty	Duty paid
500 lbs. sugar	$1 50 per cwt.	$ 7 50
25 lbs. coffee	03 per lb.	75
25 lbs. tea	10 per lb.	2 50
25 lbs. raisins	03 per lb.	75
25 lbs. currants	03 per lb.	75
50 lbs. rice	75 per cwt.	37½
50 lbs macaroni	1 25 per cwt.	62½
5 bbls. apples	90 per bbl.	4 50
50 doz. oranges	nil	nil
10 doz. lemons	nil	nil
5 doz. grapefruit	nil	nil
1 bunch bananas	50	50
25 pineapples	nil	nil
100 lbs. evaporated prunes	0666 per lb.	66⅔
100 lbs. apricots	50 per cwt.	50
100 lbs. peaches	1 00 per cwt.	1 00
200 lbs. salt	05 per cwt.	10
100 lbs. pears	50 per cwt.	50
		$21 01⅔

This is based on a family of five, which should be a fair average.

Next we come to the tariff on the family supply of clothing. There is no duty on cloth in the bolt entering Canada, nor is there any on raw cotton brought in for manufacturing or finishing in Canada; consequently the amount of duty paid by the average farmer on his clothing budget is very small, less than $15.

This gives us the complete burden imposed annually on the farmer with a family of five by reason of the tariff, amounting in all to $42.80. Of that amount only $6.79, the duty on machinery, is peculiar to the farmer alone, as the other two amounts are collected from every other household in Canada. What does the farmer get in return for the $42.80 which he pays? It is his main contribution toward the upkeep of the federal government. In return he gets a paid representative to Ottawa; government help in selling his commodities and in extending his markets; protection of life and property; experimental farms and research bureaus conducted in his interest; federal grants to highways, at least at times; payment to old age pensions, and many other advantages and assistance from the government. Is not the farmer amply repaid for his annual contribution of $42.80 as likewise every other citizen?

The farmer's share of the cost of provincial and municipal government is at least four times the cost to him of federal government. A little tariff protection will build up a home market for both farmer and manufacturer, and no nation has ever become great and prosperous without a well balanced industrial and agricultural population. Let us strive for a balanced population in terms of occupation to develop one of the finest countries in the world, and build up a strong virile nation capable of taking care of itself.

The Minister of Finance at page 596 of Hansard states that:

> The administration will refuse to support any extravagance in the spending of the taxpayers' money.

That no doubt is the basis for the government's refusal to renew the grant of $400,000 per annum to the province of Ontario and other provinces for agriculture; for its refusal to renew the grant to the provinces for technical education; for its refusal to renew the grant to the provinces for good roads. In view of the above declaration against extravagance, I would like to have the minister's explanation and his justification for spending $520,000 in one year for automobiles for the ministers of the crown and others; for spending $3,000,000 on the beautification of Ottawa; $500,000 to buy a mansion in the United States for the Hon. Vincent Massey and $255,000 for the maintenance of embassies at Washington, Tokyo and Paris, and $231,178.91 on furnishings and repairs to Quebec citadel.

Let us end the weary years of fickleness and instability in financial and fiscal affairs; let us restore definitely and clearly the principle

of protection in the tariff of Canada, a principle and a practice upon which all can rely, upon which industry can depend, upon which workers and farmers can depend, but a principle and a practice which none should be permitted to abuse. Let us see that the great resources of this country are conserved for the development of our own nation and not of another, and for the multiplication of our own people and the retention in Canada of our own sons and daughters.

I heartily support the amendment moved by the hon. member for South Wellington (Mr. Guthrie).

Mr. J. A. MERCIER (Laurier-Outremont): The hon. member for Cariboo (Mr. Fraser), speaking in this house last evening, said that in view of the immense territory which he represented he was entitled to more time than the average member. If that principle were applied, very little time would be allotted to me because I represent a constituency small in territory though high in the quality and large in the number of its inhabitants. Among those people who live in the division of Laurier-Outremont you, Mr. Speaker, have many friends who followed with delight and admiration the magnificent course of lectures which you gave at the Sorbonne at Paris this winter, and as an old pupil of yours at Laval university, Montreal, I add my congratulations to those of your numerous friends in the division I represent.

Even at his late hour I desire also to join with the members of the opposition in extending congratulations to the Minister of Finance (Mr. Robb) upon the concise and able manner in which he brought down this, his sixth budget in the house. But unlike those members, I do not qualify my congratulations, and I assure the minister that we on this side of the house take his word for it when he says that prosperity reigns throughout the land. Our friends opposite criticize that statement and say that Canada is not prosperous, so it might be well to go outside the house and take unbiased authorities in order to arrive at a conclusion as to whether or not Canada is prosperous. We might go to important organizations and bodies throughout this country but we could find none more reliable or more qualified to speak of the prosperity of Canada than our banks, and if I may be allowed to do so I would like to quote a few words from the annual statement of the Bank of Montreal as submitted by its president, Sir Charles Gordon, who said:

> The statement of the year's operations shows that we have fully participated in the general prosperity while agricultural, commercial and industrial activities have been carried on in greater volume than ever before.

The general manager of the bank, following Sir Charles Gordon, said:

> Canada as a whole has enjoyed more prosperity than ever before; our live stock industry has shown marked improvement. Cattle have been in better demand at better prices than for some years past. Between 1926 and 1927 there was an increase of about 25 per cent in the output of our dairy factories, and progress has continued in 1928. One of the happiest developments has been the definite revival of prosperity in the maritime provinces, coming into line with the rest of Canada in this respect. Canada is great in agriculture, but the glory of her heritage lies in the variety of her resources. Minerals are steadily growing in importance. The tourist trade is of the highest importance; according to government statistics tourists from abroad spent $275,000,000 in Canada in 1927. Reports from all provinces report an even larger number of tourists, and the amount spent has no doubt also been greater in 1928.

Looking at the annual statement of the Imperial Bank of Canada we find that the president, Mr. Peleg Howland, said:

> This year has been most profitable to bankers. Our foreign trade has increased, particularly in imports, which would indicate increased spending ability on the part of the people. Our debt has been reduced; our revenues are increasing. Most of our industries will show satisfactory results from their operations this year. It cannot be said that mining activity is not prosperous. Building construction has been active in Canada, the confidence displayed in the continued growth of the city of Toronto particularly by those erecting lofty buildings being very marked. Savings have increased. The country's prospects are pleasing. Reasonable confidence in the immediate future is instilled.

In his turn the general manager of the Imperial Bank, Mr. A. E. Phipps, said that on his return from his western trip Mr. E. W. Beatty, president of the Canadian Pacific Railway Company, was quoted as follows:

> I have never seen the country looking better, and in all my experience I have not previously found so general a feeling of complete confidence in this country and its possibilities.

Then the general manager of the bank continues:

> This to some extent sums up my present feelings with regard to the future conditions in Canada which are largely governed by profits from agriculture, which seems to be on an assured basis and given the continuance of the prosperity which the agriculturists have enjoyed for the past few years, I see nothing ahead to check the development of the country.

The annual report of the Bank of Toronto, as shown in the Financial Post of January 18, 1929, contains the following statement by Mr. W. G. Gooderham, the president:

> My first word must be an expression of satisfaction and thankfulness. The rising tide of progress has continued during the year just passed and many new peaks have been established. Agriculture is now in excellent financial condition and it is good to see con-

ditions for the farmer improving, not only financially but in all those things which add to the measure of comfort available to him. Manufacturing lines have enjoyed a good year. In construction there has been unusual activity, while the orders handled by the iron and steel companies, railway equipments and similar basic industries have also been large. Mining steadily makes new records.

Senator Dandurand, president of the Montreal City and District Savings Bank, said:

The year just closed has been one of great prosperity for Canada generally and for our city in particular. We have harvested a record crop, business generally has been very good and a wave of well-being has spread over the country generally.

Sir H. Laporte, president of the Provincial Bank of Canada, said:

The bounteous crops, as well as the sale of live stock at very satisfactory prices, were important sources of revenue for the agricultural class whose buying power has contributed to the speeding up of our industries. The rapid development of some of our natural resources, by the water-power developments and dependable labour. . . .have been factors which contributed to the general prosperity, speeded up the building trade, kept our great transportation companies active and provided employment for our working classes.

I now come to the report of the Royal Bank of Canada. In publishing this report the Montreal Gazette said:

The annual meeting of the Royal Bank is always followed with a good deal of interest . . . . but yesterday's gathering was of particular importance, following as it did one of the most prosperous years in the history of this country and coming on the threshold of what appears to be an era of further and marked progress in the affairs of the Dominion.

In his address to the shareholders of the bank, Sir Herbert S. Holt, chairman of the board, said:

The growth of agricultural, mineral and industrial production has been reflected in growing assets. . . . There was extraordinary growth in the demand for Canadian products; in 1922 the total value of Canadian exports amounted to $740,000,000 and by 1926 this had increased to $1,315,000,000, or an increase of 78 per cent. . . . Exports in the fiscal year of 1928 were only 6½ per cent below those of the record year of 1926, and the last few months have witnessed the development of a new upward trend in foreign sales. I believe, however, at the moment it is no exaggeration to summarize the situation by saying that there is no other part of the world more prosperous than Canada.

Mr. Chas. E. Neill, the efficient and popular general manager of the bank, made the following statement:

To our farmers . . . . the record crop of 1928 has brought substantial prosperity. A pronounced shortage of cattle in the United States has brought about a movement to purchase cattle in Canada.

[Mr. Mercier.]

So far commerce and industry have their feet on the ground and speaking generally, the publicly owned corporations have never been in a more sound or liquid position, with prosperity general and prospects never before equalled in our history.

Almost all indications of Canadian production have shown a spectacular rise during the past four years. This is particularly true to those relating to manufacturing. The amount of electric energy generated daily in 1928 is double the amount in 1924 and this in itself is a valuable index of manufacturing activity. The accessibility of vast water-powers constitutes an outstanding benefit to manufacturing in Canada.

The directors' report to the shareholders of La Banque Canadienne Nationale, as given by Senator Beique, its president, and Mr. Beaudry Leman, its general manager, reads as follows:

The progress of the bank during the year was naturally influenced by the business activity prevalent throughout Canada. Prosperity was not shared equally by all branches of industry but on the whole it was greater than ever before; as evidenced by official and private statistics, returns of the banks and railroads and the statements of the great number of industrial and commercial enterprises. Viewed as a whole, 1928 has undoubtedly been one of the most prosperous years in the history of Canada.

Agriculture, which still ranks as our principal source of wealth, yielded a very high revenue this year, in spite of damages caused in certain regions by premature frost. . . . . Farmers were compensated for the lower prices prevailing for wheat by the economies effected through more efficient machinery. The raising of live stock was stimulated by better prices and prospects in this branch are very encouraging. Agriculture has made great progress in the last few years. The use of more efficient agricultural implements, which are well adapted to the conditions on our western plains and the discovery of new varieties of wheat maturing more rapidly and consequently less subject to damage by frost, have rendered available to agriculture new territories.

For the third consecutive year mineral production has established a new high record. . . . Coal production was greater than ever and it is interesting to note that Canada is relying less every year upon imported steam and domestic coal.

Referring to forestry operations, the report says:

General prosperity in Canada and the United States has caused an increased demand for export as well as for home consumption with a consequent improvement in prices.

Power consumption is undoubtedly one of the most reliable indexes of industrial activity. . . . The water-power development in Canada shows total hydro-electric development in Canada to be 5,328,000 horse-power and that there is actually under construction and development an additional amount of 1,200,000 horse-power.

Labour statistics give a fair idea of industrial activity during the year. . . . . .the indexes show that the ratio of employment was at a higher figure than in any previous year of record. The building trades have established a new high record.

Several industries have benefited by this great activity, particularly iron and steel. Both of the country's railways have more cars in commission, carried more freight and registered larger receipts than ever before.

According to an article published in the Ottawa Journal of January 14, 1929, Mr. E. W. Beatty, chairman and president of the Canadian Pacific Railway Company, said:

There exists no surer criterion of national economies than is afforded by the condition and effectiveness of a country's transportation systems. I think there is no question of the fact that the railways of Canada have performed their duty well. It is evident that under ordinary circumstances the next few years wil record a notable forward step in our economic development. The past year has been one of marked progress. For four years in succession, Canada has had a series of big crops. This year all previous records have been broken. . . . Conditions such as these cannot fail to influence the business life of a country, and as the prosperity of the country has been based on the yields of earlier years, the present crop ensures a continuance of activity.

The general satisfactory nature of the country's business has, of course, been reflected in increased railway earnings. To the end of October, which are the last figures available at time of writing, Canadian Pacific gross receipts totalled $183,588,531, as against $160,384,749, an increase of 14.46 per cent, while net earnings increased 31.03.

Industrialism has made an impressive start in many of the western cities. One is used to speaking of western Canada as though that country were solely agricultural in its nature, but times are changed.

Subsequent to the issuance of that report, the following article appeared in one of the Ottawa papers:

Surplus of C.P.R. Nearly 15 Millions

Report Showing the Net Revenue is Issued in Montreal

The Canadian Pacific Railway to-day reported that after payment of all dividends declared for the year, the surplus from the earnings of the railway, lake steamers, and special income for the year 1928 amounted to $14,892,257. The net revenue from the same sources available for dividends amounted to $48,313,437.

Gross earnings from the railway and the lake steamers amounted to $229,039,297, while the working expenses, including all taxes, were $177,344,845, thus leaving the net earnings from the railway and lake steamers at $51,694,452. The special income amounted to $12,677,683. The fixed charges and a contribution to the pension fund amounted to $15,308,698 and $750,000 respectively.

The next authority I would cite in favour of the existing prosperity in Canada is the report of the Canadian National lines. In an article published in the Ottawa Journal at the commencement of the year, Sir Henry Thornton makes certain observations. The article is headed as follows:

West is entering industrial field with oil and mining also prominent states president of national lines. Prairie provinces outgrown period when agriculture only industry—New records made by Canadian National Railways in 1928 —Extensions made and services improved.

The body of the article as given by Sir Henry Thornton, reads:

Canadians in every line of business, from the agriculturist to the manufacturer and the financier, seem to be firmly convinced that as we enter the year 1929 Canada is stepping firmly along the high road to further prosperity. To discuss Canada's progress with men in all walks of life in each of the nine provinces which go to make up this great Dominion of Canada, is to become confirmed in one's optimism concerning this country and its people.

During each year it is my privilege to visit each of the different provinces to talk "Canada" with men in every walk of life. In doing this, and in travelling over the 22,861 miles of line which go to make up the Canadian National Railways system, I think one gains a much more clearly defined picture of what Canada really holds than could be secured through study of many volumes of statistics. The wealth of Canada lies not only in the fertility of her soil, the wealth of mine and forest and the output of factory, it lies also in the determined spirit, the splendid character and the quiet optimism of her people.

Another organization which bears a large part in the industrial activity of Canada is the Montreal harbour commission. I have under my hand an article written in the Ottawa Journal by the Hon. Doctor W. L. McDougald, chairman of the Montreal harbour board, and I would like to cite to the house what he has to say as to the prosperity that exists in Canada at the present time. He says:

The harbour of Montreal, considered as an important operating unit of Canadian enterprise, possesses many faculties, notably those of a favourable nature. But, of all its characteristics, that one which it possesses in most striking degree is its ability to exceed anticipations.

For very many years has this been so. In the years 1907 and 1908, and subsequent years prior to the great war, the harbour commissioners were busily engaged in building and creating a modern harbour, which they anticipated would provide for the legitimate expansion of the port for a period of twenty-five years. This anticipation was exceeded, however, as by 1921 the business had so prospered and augmented that new facilities were necessary.

Accordingly in 1922 the present board of harbour commissioners undertook an elaborate scheme of development. The sum of $5,000,000 was expended on new wharves and additional grain handling facilities. And the port business grew faster than facilities could be provided. A new program was begun at the end of 1923, and on this the sum of $10,000,000 was expended, including new sheds, further wharf extensions, and an increase of 1,500,000 bushels grain storage at elevator "B".

Still the business increased. Expectations were again exceeded, and in 1926 the harbour

commissioners applied to parliament for a further loan of $12,000,000 with which to provide additional sorely-needed equipment and facilities at Canada's national port. Work on the new program was begun in 1927 and continued in 1928. But in 1927, as if to lay emphasis on the fact that it was Canada's jubilee year, the port surpassed all previous efforts and new marks were reached in half a dozen lines of activity. Grain exports in that year reached 195,000,000 bushels, revenue increased to around $5,500,000, shipping tonnage increased, total tonnage of commodities increased to 11,921,000, tons, and coal imports grew to more than two million tons.

I skip over the greater part of this report, but before putting it aside I would like to cite the following from it:

The foregoing account will give a general impression of the activities of the year, without dwelling in too much detail on other important phases of harbour activities. It will be seen that the year under review has been one of exceptional achievement, but the commissioners are not yet satisfied that the harbour of Montreal has reached its limit of success. Future years are confidently awaited, and in preparation for the business they will bring, plans were laid during the season now closed for several important schemes of harbour development, which include new construction, rearrangement of many existing activities, and schemes for new undertakings. Of these, one in particular may be mentioned—the provision of an area in the harbour for creation of a new air-port for seaplanes and amphibians. Thus, side by side with the requirements of to-day, the interests of the future are protected at this most modern of Canadian public utilities.

It seems to me that a gentleman occupying the important position of president of the Canadian Chamber of Commerce would know something about financial, industrial and other conditions in Canada and that hon. gentlemen on the other side of the house would all the more readily accept his views when it might be remembered that the same gentleman was a Conservative candidate in St. Antoine division not so many years ago. Mr. W. M. Birks, writing likewise in the Ottawa Journal, says:

Judged by the basal factors which determine our mercantile situation, the year 1928 has been in the van of our entire economic progress. Whether it be cultivation, manufacturing, or the development of our natural resources, each tells the same story these past twelve months of an abounding prosperity, which per se indicates prosperous commercial conditions. Unless there were outlets for the products of the plough, the dynamo and the exploitations of nature, there could develop no commerce of proportions.

Canada has found itself in the fortunate situation, however, where marketing opportunities of unusual dimensions, both at home and abroad, have absorbed the output of her farms, her factories and her harnessed and natural wealth. More than that, the sinews of commerce have shown remarkable strength. Given the volume of output in Canada and the more than ordinary intake of imported merchandise, the transportation companies and the competing distributing agencies have all made the flow of commerce between our provinces and between Canada and outside countries particularly easy and vigorous.

And not the least important for this year of unprecedented commercial activity has been the sustained purchasing power of our own people and that of our customers abroad. We might conceivably have products to sell, internal and external markets where our goods were wanted, means of conveying and financing shipments, but had we all these and lacked consumers in a monetary position to buy not only our own merchandise, but that of a non-domestic character, our whole commercial life would be depressed.

Our people, however, generally are at least comfortably well off, and possess for the most part that wherewithal required for a no mean standard of living. Nor should we overlook the fact that the rehabilitation of European exchanges and the healthier tone of economic life abroad have reacted favourably on our export trade.

I have before me another extract from the same paper, the Ottawa Journal, in which Mr. O. W. Liberty, its financial editor, says, "Canada's advance is outstanding in present day economic history, while future is full of promise. Statistics prove achievements were not equalled by people of any other country—bumper crops one of chief factors in financial situation in which all classes shared—advances in mineral development. General anticipation is that present wave will continue during first six months of 1929 at least."

The automobile has become an important factor not only in the commercial but in the social life of Canada. I have before me an article taken from the Montreal Gazette, of February 24, 1929, in which Mr. J. D. Mansfield, of the Chrysler Corporation, is quoted as saying that he considers the Dominion is coming into its own, and that his company is expanding. It says, "First unit of new production plants will soon be erected. Output for 1928 up over 47 per cent," and goes on:

Expressing the opinion that all business in Canada is on a thoroughly sound basis. John D. Mansfield, president of the several divisional manufacturing companies of the Chrysler Corporation of Canada, Limited, said that the Dominion is not entering a boom period so much as an era of genuinely sound business, when interviewed yesterday morning at the Mount Royal hotel.

Having just come down from Windsor, Ont., where, he said, there is a general feeling of optimism as to the future of business, both in the west and east, Mr. Mansfield is in Montreal to attend the motor show being held this week at the Stadium and to discuss conditions with the dealers in this part of the province.

He feels that the position of the country is very satisfactory and can see nothing but very fair prospects lying before it. The general trend of business is as it has never been before, and he is positive in his assertion that "Canada is just coming into its own."

Turning to the public accounts of this country, a Canadian Press despatch in the Montreal Gazette, dated March 15, 1929, shows that there has been a revenue gain of $32,355,049 in eleven months, that $407,938,555 has been paid into the treasury up to February 28, that the net debt has decreased, showing a reduction of $64,130,157, as compared with February of last year. I shall not read the despatch, because these figures are available to all members of the house.

I wish, however, to quote from the report of the Bell Telephone Company of Canada, which shows a great increase in telephone business. According to the company's annual report, recently published, the total revenue of the company last year was $35,888,980, embracing $26,920,593 from exchange revenue and $8,968,387 from toll revenue, an increase of $3,157,850 over the total revenue of the previous year.

The Montreal Gazette of yesterday's date has an editorial to the effect that the Victoria Daily Colonist reports that exclusive of residences and minor alterations, buildings to the value of $3,253,000 are in course of construction in the city of Victoria, and now that cold weather is departing, contractors are planning still more structures, including public, commercial and other blocks.

I see my time is up, Mr. Speaker.

Mr. F. G. SANDERSON (South Perth): At this late hour, Mr. Speaker, I hesitate to trespass on the time of the house. The arrangement was that another speaker was to be put up on the other side of the house, but he is indisposed and cannot proceed. I should like, however, to take a few minutes to-night to congratulate the hon. Minister of Finance (Mr. Robb), who brought down his budget in this house on March 1. Many eminent men have occupied the responsible position of Minister of Finance of Canada, eminent men of different shades of politics, some Liberals and some Conservatives, men who had the confidence of the great bulk of the people of this Dominion from the Atlantic to the Pacific. But I want to say that never perhaps in the history of the country have we had a Finance minister who has won his way into the confidence of the masses to the extent that the hon. gentleman has who now occupies this position. And I would add, Mr. Speaker, that none of his predecessors has had so many obstacles to surmount and so many difficulties to combat. As I say, he has won his way into the confidence of the people to a marked degree and year after year continues to bring down budgets that meet with national approval. Any Finance minister who can reduce the national debt by about seventy million dollars, and at the same time reduce taxation to the extent of thirty million dollars, cannot be open to any severe criticism.

Very attentively, Mr. Speaker, I listened to the speech delivered by the hon. member for South Wellington (Mr. Guthrie) a few days ago. He made an excellent speech. He had a wonderful opportunity in the absence of his chief, and he rose fully to that opportunity. Not only that, but he enthused his followers sitting around him. But in that speech—and I do not agree with all that he said—he repudiated every speech as a Liberal he made from 1900 to 1917. I do not find any fault, at all—and I say this in no offensive spirit—with the fact that he crossed over to the other side of the house, but, knowing as I do the political views of the people of Ontario, although my knowledge may be limited, I say that however much the speech of the hon. member may enthuse his new-found Conservative friends in the province, I do not think it will lead any Liberal seats into the Conservative column at the next general election.

Mr. GOTT: It is only a supposition.

Mr. SANDERSON: Quite true; but let me tell my hon. friend that no member of this house goes on supposition more than the hon. member for South Essex.

As it is a quarter to eleven, Mr. Speaker, with the consent of the house I move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Robb, the house adjourned at 10.45 p.m.

Wednesday, March 20, 1929

The house met at three o'clock.

AUDITOR GENERAL'S REPORT

Mr. S. W. JACOBS (Cartier) moved:

That the Auditor General's report be referred to the public accounts committee.

Mr. ROBB: My recollection is that that report was referred to the committee some weeks ago.

Mr. BENNETT: That is my memory of it.

Mr. JACOBS: I was not aware of that fact, and I will ask permission of the house to withdraw my motion.

Motion withdrawn.

AGRICULTURE AND COLONIZATION

MOTION FOR ENLARGEMENT OF REFERENCE—PRECEDENCE OF BUDGET DEBATE

Right Hon. W. L. MACKENZIE KING (Prime Minister): During the last few weeks we have been discussing the budget, and at the outset of the debate I introduced a motion to the effect that discussion on the budget should have precedence over all other business save routine. The spirit of that motion, if not the letter, was to the effect that no debate on some new subject should be precipitated into the middle of the debate on the budget. A motion was brought in yesterday to have the house concur in the third report of the select standing committee on agriculture and colonization, and it is apparent that a debate has arisen out of that motion which may be of considerable length, and, as I gather from the different views offered in respect of the matter, it may be contentious in its character. It would be rather unfortunate if the conclusion of the debate on the budget were to be prolonged indefinitely as a consequence of a debate on some other subject intervening. It is I believe, the hope of members of the house pretty generally that the debate on the budget may be concluded before the Easter adjournment. The government does not wish to restrain in any way the right of any hon. member to speak on the budget or on any other matter, but I would suggest that having discussed the budget at the length we have it might be advisable if the matter can be effected by arrangement, to try to conclude that debate before the Easter adjournment. The government does not for a moment ask that the debate on the motion brought in yesterday should be discontinued, but only suggests that the debate on the budget be first concluded and then that it be understood this motion should be considered the next order of business. If any hon. member is going to be prejudiced as to his position in the matter, because of the fact that one member has already spoken, I presume there is nothing to do but to allow the debate on yesterday's motion to continue. But I believe I am expressing the general wish of the house that the debate in that particular be shortened as much as possible so as to permit if possible completion of the budget debate before the Easter recess.

[Mr. Bennett.]

I gathered that the purpose of yesterday's motion was nothing more than to give to the committee wider powers than it now possesses so that when its report comes back to the house many of the questions which would arise in the course of the debate would be anticipated, and the hon. members would be in a better position intelligently to discuss the final report. It may be that some arrangement could be arrived at whereby the committee could obtain that increased power and some of the debate on the question be avoided thereby at this stage. May I say again that it is not the wish of the government to shut off any debate on any question, but it is part of the duty of whoever has the responsibility of leading the house to endeavour so to arrange matters that its business may be conducted in the most expeditious manner. I believe the house feels that having been discussing the budget for two or three weeks, it is advisable to conclude that debate before entering upon one pertaining to another subject.

Hon. R. B. BENNETT (Leader of the Opposition): In the main I am wholly in accord with the observations of the Prime Minister. There is no doubt, however, that the motion that was adopted by the house according precedence to the budget debate excepted questions and motions, so that technically the motion of yesterday was wholly in order.

Mr. MACKENZIE KING: Not motions.

Mr. BENNETT: I think there is no question about the fact that neither questions nor motions were included.

Mr. MACKENZIE KING: Notices of motions. Routine motions remain, but not motions which are debatable.

Mr. BENNETT: The debate yesterday arose out of a routine motion.

Mr. SPEAKER: By standing order No. 38, a motion for concurrence in the report of a standing committee is debatable.

Mr. BENNETT: That is what I regard as a routine motion. That being so, yesterday, when the Minister of Trade and Commerce (Mr. Malcolm) asked for an adjournment of the debate, I imagine, that he might be enabled to get his papers for the purpose of making such defence as he saw fit with respect to an official of the department under his supervision, and probably because he might desire to make his reply to-day, in which event I gather one of my hon. friends to my left would desire to proceed with the discus-

sion, it occurred to me that he might adjourn the debate so that no time would be lost and we would proceed with the budget. But that is wholly in the hands of the group led by the hon. member for Acadia (Mr. Gardiner) and not a matter in which I can assist the Prime Minister. I fully agree that it is desirable that a debate of this character should be terminated without too much interruption, but we all know in parliamentary life interruptions will occur even in connection with commonplace motions such as a motion for concurrence in a report. We accept that as being so, but if the matter can be carried out in the way I suggest, that would meet the situation.

Mr. ROBERT GARDINER (Acadia): The house has made great progress since we first met. We took only a very short time in debating the address in reply to the speech from the throne and we saved the house a good deal of time in that regard. At that time hon. members did not take the opportunity of discussing problems of importance to the constituencies they represent. The Prime Minister (Mr. Mackenzie King) has suggested that it is desirable that we should try to conclude the budget debate before the house adjourns on Friday night. I should like to assist him as far as possible, but at the same time there are in this corner of the house many members who wish to debate the budget thoroughly in view of the fact that they did not take the opportunity of debating the address. I would regret it very much if any influence were used for the purpose of curbing debate at this time.

Coming to the question more presently before the house, namely, the motion to concur in the third report of the committee on agriculture, I should like to point out that this question as affecting western Canada, and, I believe, eastern Canada also, is one of the most important that will come before the house this session. Of that I am convinced. I know of no other question that has stirred the farmers and producers in western Canada to such an extent as has the administration of the Canada Grain Act. In view of the fact that the debate proceeded for some time yesterday afternoon, and remembering also that the Minister of Trade and Commerce (Mr. Malcolm) desired to adjourn the debate primarily for the purpose of securing his papers so that he would be able to take part in the discussion, it would be improper if we were now to curb the debate in any way. I hope, however, that the debate on this question will not continue to any great extent, but I would not suggest to my colleagues that if they have anything important to say on the matter, they should curtail their remarks in any way.

Mr. MACKENZIE KING: I presume the next order is to proceed with this discussion; but may I suggest to hon. gentlemen that what the leader of the opposition (Mr. Bennett) has just put forward as a means of trying to meet all parties concerned, is something that should appeal very strongly to everyone, and I hope will appeal to my hon. friends, namely, that it be distinctly understood that there is to be no curbing of the debate on this particular question, but that one of each group address himself to it, and that the debate be then adjourned, to be taken up, when the debate on the budget is concluded, and to be then taken up at any length and with due regard to its great importance.

Mr. M. N. CAMPBELL (Mackenzie): I might say, speaking for a number in this section of the house, that certainly more than one would expect to speak in this debate, and it would therefore be impossible to come to any such arrangement.

Mr. BENNETT: The suggestion was not to limit the number to one from each group, but rather that the minister might make his defence to-day with respect to the official concerned in his department, and then one of my hon. friends to my left could make his speech and adjourn the debate so that tomorrow another speech could be made and the budget debate finished. It was not my suggestion to curb the debate.

Mr. WILLIAM IRVINE (Wetaskiwin): The most important thing for us to understand is that the house will deliberate on this question and come to some definite action in good time this session. If this guarantee is given, I do not think we need worry much about the hour.

GRADING OF GRAIN

WHEAT—INSPECTION, SHIPMENT, AND PROTEIN CONTENT—REFERENCE TO COMMITTEE ON AGRICULTURE

The house resumed, from Tuesday, March 19, consideration of the motion of Mr. Kay for concurrence in the third report of the select standing committee on agriculture and colonization.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): Mr. Speaker, the problems arising out of the administration of the Canada Grain Act are, as the hon. member for Acadia (Mr. Gardiner) says, of

such magnitude that one naturally hesitates to comment thereon except after one has been very thoroughly and fully informed on every phase of the subject. Personally I do not think much will be gained by debate in the house at this time, but if the house would grant the request of the chairman of the committee on agriculture for an enlargement of the reference, these matters which are contentious could be investigated before the committee by calling witnesses and taking evidence. The committee would then be assisted in making recommendations to the government and to parliament for changes in the Canada Grain Act which would correct the evils complained of if they were found to exist.

Early in the session I consulted with various western members of parliament on both sides of the house, and learned of the seriousness and the variety of complaints that were lodged against the Board of Grain Commissioners and the Board of Standards in regard to the administration of the act. I told all of those members—and they agreed with me—that the government would grant a reference to a committee so that all these matters might be thoroughly gone into and reported upon to parliament. Most of the members with whom I consulted felt satisfied that if the reference were broad enough, nothing would be gained by discussion in the house, until the committee had reported, and I had hoped that the request of the chairman of the committee on agriculture for an enlargement of the reference would be granted by the house so that the committee could proceed with its work. The reference which is before the committee arose out of a resolution by the hon. member for Qu'Appelle (Mr. Millar) stating that proteins should be considered a factor in the grading of grain.

But there are on the order paper two other resolutions, one by the hon. member for Willow Bunch (Mr. Donnelly) contending that the mixing of grain is an evil and that mixing should be eliminated, and another resolution which stands in the name of the hon. member for Rosetown (Mr. Evans), criticizing the action of the Board of Grain Commissioners in permitting the use of a certain ticket which contained additional words—words which were not prescribed in the actual ticket given in the Canada Grain Act. Under these circumstances I do not feel that the chairman of the committee on agriculture and the members of that committee could have done anything else but ask for an enlargement of their reference, so that the whole three resolutions, which I think cover the major points of criticism, might be dealt with and fully reported upon. To endeavour to discuss any one of these points at the present moment before the evidence is heard is in my opinion futile. To discuss charges against the Board of Grain Commissioners when the board have not had an opportunity to give evidence as to why they ruled or failed to rule in a certain way, I think is unfair. So far as I am concerned, I have found the Board of Grain Commissioners at all times anxious to assist in the administration of the act in the interests of the producer. Whether they have made mistakes of judgment or not will be brought out in the evidence produced before the committee. Mr. Boyd has been acting as chairman of the Board of Grain Commissioners since March of 1917. I have had no reason to criticize Mr. Boyd, and I do not propose to pass judgment until evidence is adduced and he has had a chance to reply. Therefore it seems to me, Mr. Speaker, that it would be very much out of place for me as a minister of the crown to join in any comment on a public servant, nor do I think that anything can be gained by this debate. I think I am quite right in saying to the house that much evidence will likely be adduced in the committee, and the report of the committee can, and no doubt will be fully discussed in the house. I think this matter can be very much better handled by having the discussion take place in the light of the evidence which will be taken before the committee. I can therefore only recommend to the house that this debate be as short as possible, that the chairman of the agriculture committee be granted this reference, and that the discussion when the committee's report comes before the house be as full and as free as parliament may wish.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I agree with those who have preceded me in one remark, and that is as to the importance of the question that is before the house at this moment. When hon. members take into consideration the fact that the greatest single wealth-producing commodity in all Canada is wheat, they will begin to realize what it means. When they consider further that it involves annually hundreds of millions of dollars of real new wealth created by the producers out of the soil of the country, they will begin to realize something of its importance. When they further consider the fact that there is not a single financial institution, not a single manufacturing institution, and hardly an individual in the Dominion that is not interested directly or indirectly not only in the proper handling of wheat but

in the price received by the producer for it, the importance of this question will be realized.

The Canada Grain Act came into existence in 1900 as a result of widespread agitation among the farmers of western Canada, who at that time were suffering under serious injustices at the hands of the organized grain trade and the railways of Canada. In 1912 it was found necessary to place the administration of the act in the hands of a board of grain commissioners. That board was supposed to be an independent board, an efficient board, one above reproach and criticism, and in order to be sure that it should be that kind of board, we provided that the chairman should receive a salary of $10,000 a year, together with many perquisites in regard to such matters as stenographic assistance, office buildings, office fittings, a special car for travelling, and much else. The two assistant commissioners receive the sum of $8,000 a year, and also participate in these perquisites.

We believed at that time, those of us who were here and interested in the trade, that this was a splendid step forward and would protect the interests of the farmer. After all, what was the object in the appointment of the board? The primary object was to administer the act so that the rights of the farmers would be preserved and protected at all times. Let me emphasize that. Professor Patton, in his well-known work on the "Growth of Grain Cooperative Marketing System," says:

The first grain commissioner—

Referring to the chairman of the commission:

—is the attorney general for the grain growers.

He is the man at all times expected to prosecute any offenders against the act, any men or companies who violate the rights or privileges of the farmers under the act. The Turgeon report also recognizes the importance of this body. At page 154 of the report of the royal grain inquiry commission, headed by Chief Justice Turgeon, which was filed in the house in 1925, these words are found:

The Canada Grain Act, 1912, created the Board of Grain Commissioners to administer the act. The importance of the proper exercise of its functions can scarcely be overestimated. It is of vital concern to Canada.

Chief Justice Turgeon, chairman of the royal grain inquiry commision, was satisfied of the transcendent importance of the proper administration of the act and the proper discharge of the functions of the board.

Let us examine the situation as we have it to-day. In the year that has just passed we have had more dissatisfaction in western Canada than at any other time since I have been there. We have had a more pronounced uprising of definite antagonistic opinion against the board than ever before and if the remarks of the leader of the opposition (Mr. Bennett) in criticism of the Board of Railway Commissioners were justified, then I say to this house that a condemnation more damning than any ever pronounced by him would be justified as applied to the Board of Grain Commissioners. The Board of Grain Commissioners has utterly and completely lost the confidence of those whom it is supposed to protect in western Canada. Of that there is no question. All one has to do, if he seeks evidence of that, is to study the hearings of the royal commission which was appointed by the Saskatchewan government last year, and which has been travelling during the entire grain-moving season through the province of Saskatchewan, and which I understand is about to hold sittings in the province of Alberta. At the most minute rural points, places through which one could pass and find only a round dozen or so of individuals, in the most outlying country districts you would find the hall jammed with two, three, four or five hundred disgruntled, irritated, antagonistic farmers. Something was behind all this dissatisfaction; there was something wrong. This government surely must have known that there was something wrong. The Minister of Trade and Commerce (Mr. Malcolm) should have been apprised of the seriousness of the situation, and I am going to say this much: So far as I know, the moment his attention was called, towards the beginning of this session of parliament, to the need for action in a certain direction, he took action. I will come to that in a moment.

I say that so far as the producers are concerned, the board apparently has failed to function satisfactorily and has lost their confidence. Now I ask this question: Is there any use under heaven in this government persisting in continuing the personnel of a board, irrespective of how worthy they may be, if they have utterly lost the confidence of those whom they are supposed to serve? I do not wish to criticize the individual members of the board, and I have nothing of a personal character against a single member of the commission. Let me further state at this stage, for fear I may forget to do so later, that so far as I am concerned, and I think I am speaking for those in the group around me, there is no intention at any time to attempt to make political capital out of this situation. It is too serious a matter for

politics to be permitted to enter into it. I think the western members as a whole, whether they sit in the ranks of the Liberals opposite, or in the group around me, or the odd one or two in the ranks of the Conservative party to my right, are satisfied that some solution must be found of the difficulties facing the grain growers in the west, and that some settlement of the differences that have arisen between themselves and the board and other concerns must be found if we are to attempt at all to remedy the deplorable situation which now confronts us. When you come to a point where a question arises which may involve the loss, not of a million or two, but of tens of millions of dollars to the wheat growers in Canada, the people who produce from the soil real wealth, then surely it is time that the Department of Trade and Commerce, in fact the government itself, take recognition of the situation that has arisen and courageously cope with it.

The board has utterly failed to function. I make that definite pronouncement, Mr. Speaker, fully realizing the seriousness of the statement. The board has failed to function because it has not recognized several factors. These are: first, the immense increase in area of wheat growing since 1912. Why, at that time we never thought of producing wheat in large quantities in the Peace river country; we never dreamt of the western movement via Vancouver of grain to the proportions which it has reached to-day, with new and extensive problems involving terminals, inspection of cargo shipments and all the other diverse problems affecting the trade. At that time we did not dream—we did dream, it is true, but we had not immediately in front of us the problem of a northern outlet, which is another phase now to come under the attention of the commission. The production of wheat has more than doubled in that period. The capacity of elevator space in country houses and terminals has more than doubled in that period.

The problems have also increased almost proportionately during that period, and in latter years an added and very distinct problem has arisen. As long as the handling of wheat continued in the old channels it is true there were difficulties, but those difficulties have been enormously emphasized lately by the institution of the growers' own marketing system. This has brought an entirely new factor into the handling of wheat. The Turgeon commission even as far back as 1925 recognized that the commission itself must be assisted to function more efficiently, and it reported definitely:

[Mr. E. J. Garland.]

We do strongly recommend that the board should be supplied with sufficient expert technical and clerical assistance to enable it to accomplish its routine duties and at the same time to have opportunity to give a large part of its attention to its general functions of supervision, discipline and control over the grain trade.

The Turgeon commission was satisfied that the grain commissioners were not giving proper supervision, were not exercising proper control, were not properly disciplining the trade at that time; and the commission's report recommended definitely that steps should be taken to supply the board with all possible necessary assistance.

Why did the Turgeon commission do that instead of recommending an increase in the personnel of the board? Because the Board of Grain Commissioners themselves have consistently and persistently resisted any proposal to increase their number; and so this way out was discovered and proposed.

Now, since 1925 I must presume that the Board of Grain Commissioners have been supplied by the Department of Trade and Commerce with all the technical assistance, all the technical stenographic and clerical help that they required to function properly. If not, somebody else will be held to account. But we must presume that this has been done, for we are paying the bills. The other taxpayers of Canada are not called upon to pay one dollar in connection with the administration of the Grain Act. We pay for it utterly and completely out of the proceeds of the grain we ourselves sell. Therefore, the Turgeon commission having made this recommendation, we must presume that the government recognized the situation and supplied the board with all the necessary facilities. Yet, Mr. Speaker, during the past year, when as never before at almost every point in western Canada disturbances in connection with the Grain Act had arisen, when as never before the farmers were protesting against the injustices they were suffering at the hands of the country elevator operators, at the hands of the organized trade itself established at Winnipeg, at the hands of the terminal elevators, there was not a single investigation undertaken by the Board of Grain Commissioners until more than 80 per cent of the grain crop had moved. In spite of the fact that affidavit after affidavit had gone into the board at Fort William, in spite of the fact that hundreds of appeals—not ten, not a dozen, but hundreds—had been made to the board for an adjustment of differences as between the farmers and the trade, the board failed to hold one single investigation

in western Canada until late in January of this year after 80 per cent of the crop had moved.

Now, Mr. Speaker, is that functioning? In all the years that have passed by ever since this board was established there has not been one single check-off by the board of country houses. There is not a grain-growing farmer in this house who does not understand some of the abuses that take place there. There is not a farmer who does not know that mixing is practised in country houses. The evidence before the Brown commission in Saskatchewan brought out clearly again and again that mixing is practised in the bins of the country elevators. Why, sir, there is evidence to show that elevator agents at country points, having, say, ten bins at their disposal for special bin purposes, have actually had as many as thirteen, fourteen and fifteen farmers hauling grain to special bins and only ten to put them in.

These are the things that have cropped up. I will give another illustration. We find in the little town of De Winton a Chevrolet truck being used to haul wheat—an isolated instance perhaps, but it may be found in other places also. This Chevrolet truck is weighed empty every day after the wheat has been hauled, and there is a variation of over 900 pounds in the weight of that empty truck during thirteen days of hauling; and there has not been a drop of rain in the country in the meantime. Nine hundred pounds variation in the weight of an empty Chevrolet truck in the town of De Winton. I have all the facts in connection with this case and I believe sworn to in an affidavit. An appeal was made to the Board of Grain Commissioners to adjust the discrepancy. What do you think the board did? Did the board send out an inspector at once to check off the scales secretly and quietly? No, the board refused to act and wrote to the complainant: If you will send in an affidavit we will consider the matter. What is the result? The company is notified that Mr. Tom Jones, of De Winton, filed an affidavit with the board to-day that the scales must be out of order, that there is a deficiency of about 900 pounds. The company writes back to the board: We have had a report from our agent that this is not true. The Board of Grain Commissioners having supplied the brass band to warn the elevator agent, now sends an inspector to investigate. Do you think the elevator agent is going to leave his scales untouched? The board defends itself solely on the ground that a clause in the act provides that an investigation shall take place if an affidavit be filed. But in no section of the act does it say that the board has not power to check off at country elevators. As a matter of fact the Turgeon commission in its report says this:

> The board has the power to license elevators and to revoke licenses.

And will the house kindly note this:

> We believe that there follows from this power the obligations to exercise some measure of inspection of the way in which the operators of elevators and other licenses deal with the grain producers.

The Turgeon commission further recommended that there should be surprise check-offs at country elevators, otherwise they never can check up on those problems or difficulties, they never can find out what the elevator agent is doing. If you are going to compel the farmer to send in an affidavit with every complaint, and if the correspondence with the farmer is to be made open to the companies before any investigation is held, you might as well not have the grain act at all for any good it is going to do. If you warn the company beforehand of the action about to be taken, they are certain to safeguard their own interests.

Mr. FORKE: Was that an isolated case or was it an habitual thing? Because a variation of 15 bushels in a load could not often happen without something being heard of it.

Mr. GARLAND (Bow River): I have stated there was a variation of 900 pounds in the weight of the empty truck.

Mr. FORKE: Could it not have been for once a mistake? We have all seen that happen in country elevators.

Mr. GARLAND (Bow River): I presume the board could have found it out had they been interested enough to inquire, but apparently they were not. Let me mention this case. A gentleman named Morrison, down in the constituency of the hon. member for Macleod (Mr. Coote), sends in a complaint to the board in writing. The board does not even bother to reply to the complaint; it has not even the courtesy to reply. Mr. Morrison takes the matter up with the member for Macleod. The member for Macleod is quite surprised to find that twenty-nine days have elapsed since the letter was sent and so he wires to the board. The board sends the hon. member a reply by wire but no reply to the man himself, so that the hon. member suggests that the board might have the courtesy to reply directly to the farmer who made the complaint; whereupon the board replies, thirty days after receipt of the com-

plaint in writing from the farmer. Now is that an efficient functioning? Is that an efficient administration of the grain act? Is that acting as attorney for the grain growers? Is it acting in the capacity of protector of their interests and their rights? A board of this character, Mr. Speaker, is of no value whatever unless it keeps in close personal touch with the growers all the time. A board stationed in Fort William is useless, even though it be a good board, even though it be able to perform efficiently its routine functions. To be effective the board must be itinerant at least during the grain moving season. That was recommended also by the Turgeon commission; it was recommended in most emphatic terms. The Board of Grain Commissioners has always resisted the idea of itinerancy of the character suggested by Commissioner Turgeon. I will not mention any names, but one of the commissioners will make the statement to you, "I have travelled thirty thousand miles during the last year." Yes; but I submit that they do not travel to many of the points where they are required. They do not visit the points where controversy is arising. I say to the government, therefore, that if they wish to have the act efficiently administered it will be necessary for them to allow the board—indeed, to compel the board—to be itinerant, to move from point to point throughout the prairie provinces during the grain-moving season, so that at any time when a little cancer spot appears they can administer the proper remedy, and administer it speedily. I am satisfied that there are hundreds of complaints that have been really of minor importance and that could have been readily disposed of through personal attention on the part of the board. But instead of that, these complaints have been allowed to rankle, to canker, to grow and spread into the whole community until a situation has arisen such as I stated at the outset, namely, that the board has utterly lost the confidence of the farmers of western Canada.

There are many other points which one feels called upon to discuss in connection with this particular matter, but I come now to the most important factor in arousing the ire of the farmers of the west during the last year. I refer to the question of the so-called hybrid ticket. It is not necessary for me to go into the whole history of the question. It is sufficient to say that obviously it was the will of the committee of parliament and of parliament itself that the grower of wheat should have the right to determine the destination of his wheat after he had grown it. No one disputes that to-day. No one disputes that it was undoubtedly the will of parliament, and the wish of the pool through whom the grower handles a good deal of his wheat to-day, that he should have the right to determine where it should go. After the act is amended the grower gets the right to determine the destination of his grain, and then somebody does something with the schedules to the act. The old ticket is submitted for change, not to parliament but to the governor in council, and a change is brought about by order in council, taking out of the act almost all of clause 150.

Mr. CHAPLIN: On whose recommendation?

Mr. GARLAND (Bow River): On the recommendation of the board—and it is inserted into the ticket itself. As Mr. Milliken, the legal counsel for the Saskatchewan pool, has said, where five words would have sufficed—

Mr. MALCOLM: My hon. friend has made the statement that on the recommendation of the board there was passed an order in council which takes out of the act practically all of section 150. What does he mean by that?

Mr. GARLAND (Bow River): I did not say that. At least, I should have said they copied out of the act on to the new ticket almost all of section 150, and left certain other words. So far as that particular change was concerned, although much of it was unnecessary, five words would have sufficed, as Mr. Milliken said; but instead of that forty words odd are transferred from the act, having the effect, as they appear on the ticket, if not of abolishing the rights of the grower, at any rate of permitting the abuse of the ticket. The Minister of Railways (Mr. Dunning) shakes his head. Well, I say this to him definitely. While the wording provided for by the order in council would in itself have caused no harm, if the wording of the ticket as authorized by the order in council had not been such as it was, the addition of the other words would not either have caused any harm. In his evidence before the committee the other day Mr. Milliken so stated There is no necessity—

Mr. DUNNING: Does my hon. friend mean to say that taking a section of an act which embodies a contract and putting that into the form of the contract makes it possible to break the contract which the act provides for?

Mr. GARLAND (Bow River): When additional words are inserted.

Mr. DUNNING: Additional words were not put in by the order in council, as my hon. friend knows.

Mr. GARLAND (Bow River): The minister is setting up straw men to have the pleasure of punching their noses, and that does not do any good because the hon. gentleman heard me clearly. I have made myself clear in the matter. I have stated definitely that the wording of the act copied into the ticket did not of itself create a situation which would result in a violation of the grower's rights.

Mr. MALCOLM: The previous ticket was copied from the act. Did not the board do the proper thing when they asked that the ticket be reprinted so as to bring it into conformity with the act as amended at the last session of parliament?

Mr. GARLAND (Bow River): No; and I will tell you why. To have properly recognized the intention of parliament, they should have taken into consideration other clauses in the act as well as that particular one, and instead of putting in the words, "the grain is deliverable to the person on whose account it is taken in the store," the intention would have been more clearly indicated had they said that the grain should be deliverable to the person who owns the grain—the owner of the grain.

Mr. MALCOLM: My hon. friend surely does not imply that the board should recommend putting into the ticket something which is not in the act. The act provides distinctly that the ticket shall indicate what the act itself states.

Mr. GARLAND (Bow River): The minister says that this question of ownership is settled in the act. There is no question about that, and if that were recognized by everyone else, if everybody understood the act as the Minister of Trade and Commerce understands it, no problem would have arisen. But unfortunately the organized grain trade took advantage of the situation and added certain other words, the effect of which—and, I presume, the deliberate effect—was to take away from the pool men their rights under the grain act so far as the destination of the grain was concerned.

Now, note this point. In October, 1927, the pools asked the board to stop the use of this ticket, stating that it was not prescribed by the act. I make the further assertion that at no time, either by order in council, by act of this parliament or by any other legal method was this hybrid ticket legalized in any shape or form.

Mr. DUNNING: That is right.

Mr. GARLAND (Bow River): That is quite right, yet the Board of Grain Commissioners recognize it as an ordinary ticket for handling purposes; the Board of Grain Commissioners not only permit its use but use the wording of the ticket to compel farmers to accept the diversion of their grain by private grain companies. Can I make my words stronger that that? The Board of Grain Commissioners, knowing all that was meant by the addition of those words and seeing the effect in actual operation, permitted the use of an absolutely illegal ticket which only had the result of taking away from the farmer his right to name the destination of his own grain. Hon. gentlemen may raise the question of contracts until they are black in the face; they may cite the pool contract with the trade; they may cite the grower's agreement with the pool, but that has nothing whatever to do with the Board of Grain Commissioners or the administration of the grain act, and no one recognized that fact more clearly or more distinctly than the Minister of Trade and Commerce when his attention was called to it.

Just at this point I would like to quote to the house the position taken by the minister in this matter. A dispute had arisen between the firm of Thompson Brothers and the Home Grain Company in the little town of Rowley, which resulted in an investigation being held towards the end of January of this year. After the hearing had been completed Mr. Boyd, chairman of the board, decided that since this involved an interpretation of the contract he was not in a position to give any ruling on the facts, and suggested that a court case be started. It was not Mr. Boyd's business to suggest that; his business was to administer the act and to say, "We rule that in order to give the farmer justice under this act you must divert his grain to the terminal of his own choice." He did not say so, however; he said "We must have the court's interpretation before we can give a ruling." This decision was communicated to the Minister of Trade and Commerce, and in giving the house his reply I ask hon. members to notice how clearly the minister recognized the situation and how willing he was to meet it. I have no blame to attach to the minister at this time; my attack is entirely on the Board of Grain Commissioners because of their fail-

ure to function. I quote the telegram sent by Mr. Malcolm to Mr. Boyd under date of January 28, 1929:

> Further replying your message from Calgary twenty-fourth instant re pool contracts. Parliament amended law to assure producer's right to determine destination of his own grain. Board should take position that no contract between pool and grain trade should deprive producer of that right. Government approves board's recommendation that board bear expense of court action to sustain grain act in this regard.

That was the position taken by the Minister of Trade and Commerce and I applaud him for it, but why have not the Board of Grain Commissioners taken that identical position for the last two years? There is only one obvious answer; either they are stupid to the point of idiocy or they have turned their sympathies directly to the trade instead of to the producer. There is no other possible explanation of their actions. I have before me the entire correspondence which passed between the Board of Grain Commissioners and the farmers of Alberta, and in case after case the board have used the hybrid ticket and the acceptance of this hybrid ticket by the farmer even though unwittingly or even under protest as an excuse by which they can suggest to him that he is in a difficult position and had better abide by the situation. What an amazing thing! In some cases they have succeeded in "coaxing," as Mr. Milliken said, the grain trade to recognize the situation and to give the farmer his right; they have succeeded in doing so by coaxing, but in no case that I know of have they attempted to enforce the provisions of the act under the powers given them. They have the necessary power; there is no special need for them to come to parliament and say they have not this power. It is true that the enforcement might create a momentary difficulty or some local dissatisfaction, but one or two cases of the exercise of their powers would quickly bring the trade to terms and compel them to recognize the rulings of the board.

Why, Mr. Speaker, I have heard one of the commissioners stand before a convention of several hundred farmers and farm women and tell that convention in eloquent language that he had no more power and the Board of Grain Commissioners had no more power to enforce the act than any delegate present at the convention. Just imagine a situation of that kind. Speaking at the convention of the United Farmers of Alberta, at Edmonton, Mr. Robinson said:

> . . . . something evidently overlooked by the U.F.A. board or the spokesman for the board, and that is the Board of Grain Commissioners has no more authority to carry out any of the provisions of this act than any delegate in this room. They have unlimited scope as to making regulations but they have no authority to enforce them.

As a matter of fact, they have the authority to revoke the licenses of the companies; they can close up the warehouses, but as I said a moment ago that might create a temporary difficulty especially to the producers of wheat. This is just an illustration in passing. Note the delicacy of the situation; here are the members of the Board of Grain Commissioners, appointed at handsome salaries and pretty handsome perquisites, to administer the grain act. That board has been in existence since 1912; all the present members have not been on it long but it has been in existence since then. In all the years that have passed these problems have been arising, and if you ask them they will frankly admit that during those years they have made rulings at times which have been utterly ignored by those against whom the rulings were made. Yet in all those years I do not know of a single case in which they have come back to this parliament and said, "We cannot enforce the act; we have no power to enforce it." So they have waited until the year 1928, when a situation has arisen which threatens utterly to overthrow them and dismiss them from office; now they turn around and tell the farmers at a meeting attended by hundreds of the organized group of the province of Alberta that they have no power to enforce the act and that in effect they have been receiving money under false pretences since their appointment to office. What an amazing situation; what a criminal situation, to find any board accepting handsome salaries annually to administer an act when the rulings which they may have to make as a result of that administration have no weight and they have no power to enforce them! Have they ever asked for power from parliament at any time? I know only too well that a few years ago parliament readily would have agreed to any enlargement of powers the board might have requested; we would have given them the necessary policing powers if they had sought them. I do not think there is any doubt but that this parliament is as anxious to do what is right for the growers of wheat and to see that the act is justly administered as are any of the growers in western Canada.

Here is another peculiar situation. Apparently this year, when a serious matter arose, the Board of Grain Commissioners would not undertake any investigation unless affidavits were sent in. I know of many cases in which

such affidavits were sent in; as a matter of fact I helped prepare one for Thompson Brothers in Rawley. What did the Board of Grain Commissioners do? They dropped a little note to the grain company concerned and said, "Here, we have this complaint from Thompson Brothers; make a reply to it." The only reply sent in by the company was an ordinary statement not made under oath and not conforming in any way to the rigid regulations enforced by the board with respect to the growers. That is absolutely unfair, and I am informed that cases have arisen in which the board have called up the company on the telephone and said, "We have this complaint against your company; kindly pay attention to it." They deal with the trade on the one hand by accepting ordinary documents, letters signed by a general manager or by a solicitor for the company, but a farmer must file a sworn affidavit. I have no complaint to make with regard to that except that in many cases it is an unnecessarily rigid and stupid regulation and prevents the proper functioning of the board and the proper administration of the act. The Board of Grain Commissioners should be intelligent enough to know they should not enforce that peculiar affidavit form of filing complaints in all cases. It is quite true it does apply to some cases, but it was passed upon by the board and used by them as a means of delaying rather than assisting in clearing up any difficulties which might arise.

There is much more to be said on this subject, but I am sure others will follow me, and in closing I simply wish to say this: that the organized farmers of my province at annual convention assembled, and after full consideration of this situation and having heard a member of the commission in his own defence and in defence of the board, passed a resolution, with one dissenting vote, in which they asked for the dismissal of the present board and the appointment of a board consisting of five members, one of whom should be a resident of Alberta and one of Saskatchewan. I suppose the residence of the other members would depend upon the will of the members from other parts of Canada. We specifically asked for that in order that there might be a personal contact between the grower and the representative of the commission. It is not fair to us to have a board, the principal work of which is done in Winnipeg or Fort William, operating so closely with the trade and practically never coming in touch with the growers. I would ask the government to take into consideration the dismissal of the present board of grain commissioners.

Mr. BROWN: Is the hon. member in favour of or opposed to the motion before the house?

Mr. GARLAND (Bow River): I am in favour of widening the scope of this resolution. As it reads at present it does not include the term "administration of the Grain Act." If that term were included in the resolution so as to make a full investigation possible, it would relieve my mind of a great deal of worry.

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, I have listened with a great deal of interest to the hon. member for Bow River (Mr. Garland), and it is quite easy for those of us who have some knowledge of marketing conditions and farming in general to follow him. Until quite recently there was a resolution upon the order paper standing in the name of the hon. member for Rosetown (Mr. Evans), and I had been a little afraid that we would not reach that resolution because I realized that it would have caused considerable discussion and probably argument. I agree with all the hon. member has said, but I think we should have a short resume of what happened prior to this last year and the conditions which prevail to-day. This would assist the hon. members who come from other parts of Canada and who may not be acquainted with the conditions prevailing.

For a number of years the farmers of western Canada were obliged to market their grain through the Northwestern Grain Dealers' Association. It was the common practice for the farmer to ship his wheat through a line elevator to the commission house he desired to deal with. The farmer believed, rightly or wrongly, that he had that privilege up until 1924-25, and then he suddenly realized that he did not have that right. At that time we had created one of the greatest cooperative marketing organizations which this world has ever seen, and in order to make that a success it was absolutely necessary that we should have physical control of as much of our crop as possible. At that time the pool did not have the local facilities with which to handle their wheat; they were forced to depend upon the facilities belonging to the Northwest Grain Dealers' Association, and if we had not the right to designate the terminal to which our wheat should go we were going to lose a great deal of the benefit from that cooperative organization. In the session of 1925-26 this house passed what is commonly called the Campbell amendment, but owing to the dissolution of the house it did not find a place on the statute book. During 1926 we again considered this matter and the amendment passed. We had the right to put our grain

through any line elevator and ship it to the pool terminal. Those of us who were privileged to be in the house at that time well remember the lobby which was put on by the Northwest Grain Dealers' Association in opposition to this amendment. They realized that if this great cooperative organization obtained the right of designating the terminal, they would then lose the whip-hand over the farmer. However, it went through and, as we thought, we had that right.

In 1927 the pool still found that they had not facilities to take care of all their wheat. As has been pointed out by the hon. member for Willow Bunch (Mr. Donnelly), there are three ways in which a farmer can market his grain. He may sell it on what we call the street, that is, sell it to the elevator companies; he may grade it to store; or he may store it in a special bin. The member for Bow River mentioned the agreement which was entered into between the pool and the Northwest Grain Dealers' Association. I think it is only right that that agreement should be mentioned in this debate in order to clarify the situation which exists to-day. There was an agreement entered into between the pool and the Northwest Grain Dealers' Association whereby the association were to be allowed to take all street wheat and ship it to their terminal, but it was stipulated that any rights which the farmer had under the Canada Grain Act were to be retained. The so-called hybrid grain ticket has come about through the interpretation of that agreement. The grain trade interpreted the agreement to mean that they had the right to designate the pool wheat going through their local elevators to their terminals. The pool contended, and contended rightly, that they had not that right. This agreement was presented to the Board of Grain Commissioners for adjudication, and I am absolutely in accord with the member for Bow River when he says that they should not have considered it in any way. They have no right to consider any agreement entered into by any group or individual; their function is the administration of the Canada Grain Act, and I think the board have realized the mistake they made.

A condition exists in western Canada to-day which has never existed before. At this juncture I would like to read a portion of a letter I received the other day, which I think will explain the conditions which exist in western Canada. This letter is written from Davidson, Saskatchewan, and reads in part as follows:

> What I want to talk to you about in particular to-day is the grain situation. There is no use in disguising the fact that the thing is very serious out here. This, in spite of the fact that you may or may not have heard anything to the contrary which I know nothing about. The thing has not fully exploded yet but it is just sizzling, and when it comes it will be a hurricane. So far as I am concerned, I have no grievance other than where the thing has been an injustice done my fellow man, and, of course, can only talk of the thing from the standpoint of the fellow who has been wronged.
>
> I might interject that the writer of this letter is not a wheat pool contract signer.
>
> The trouble that I refer to is the regulation whereby the line elevators were allowed to deny to the shipper the right to designate the place his wheat was to be shipped to after he had it in the elevator, which, of course, was aimed at the pool, and it surely landed hard. They are just getting wise to the full import of what that did to them, but when they all wake up, there sure is going to be something doing.
>
> Now, I don't belong to the pool, and, of course, it did not hurt me. I am going to be absolutely honest with you, and tell you that I know nothing at all about this thing so far as its being brought about is concerned, except what I hear. The first intimation I had that there was a nigger in the wood pile was last fall when room was hard to get in the elevators—
>
> Now I want you to mark this.
>
> —and I made a protest to the elevator man that the pool people were getting better service at the line elevators than the non-pool men, and pointed out to him that it was poor business for them to take care of that wheat that they got no commission from at the other end, and turn down wheat that they derived all the benefits of handling from. He told me then that all pool wheat this time went to the company's terminal and not to the pool terminal. You can see at a glance, without further elaboration on my part, just why my wheat lay on the ground a month while he threshed nearly 8,000 bushels and hauled it to the elevator right from the machine and never put one solitary bushel through the pool elevator.

I think the condition as revealed in the letter which I have just read has been prevalent throughout the west. We find a line elevator company giving all their facilities to the pool and denying to the non-pool farmer the same facilities. We have an instance in this letter of 8,000 bushels of non-pool wheat lying on the ground in order that they might take care of pool wheat. If this proves anything, it proves that there must be a great deal of profit at the other end and it is that which the farmer to-day feels he is losing. Further on in this letter the writer says, mentioning the name of his friend:

> . . . . has now found out that he lost over $100 by not being able to designate his terminal, and I will say, in the mildest terms I can, that he is sore.

Someone may ask: How did he lose $100? The pool have been in the habit of paying two cents a bushel to all pool members who

ship their wheat through their own facilities, so that if an individual cannot ship his wheat through his pool facilities, he does not share in that distribution of two cents a bushel. It may be asked: But how can the grain trade or the line elevator companies help this state of affairs? There are many ways. I think I might as well read the whole letter. the writer continues:

The next question that calls for an immediate answer is this. How did this thing come about, and who was responsible? I do not know myself, for, as I said before, I did not pay any attention to it, but they tell me that this thing was finally put up by someone to the Department of Commerce—

He means Trade and Commerce.

—and an order in council was made allowing this nefarious thing to be done.

I might state that I disillusioned his mind on this point.

If that is so, it has made a nice mess for us to clean up.

He goes on to discuss the whole matter. After listening to the speech of the hon. member for Bow River I have reached the conclusion that this grain commission has been very inefficient in the administration of the act. It occurred to me, while he was speaking, that if they have proven inefficient in the administration of this act which means so much, not only to our farmers, but to Canada as a whole, it might be possible to devise some other ways and means whereby we could administer the act more efficiently.

Mr. CHAPLIN: The commissioners might be changed.

Mr. VALLANCE: I do not know that that would do much good. While the suggestion of the hon. member for Bow River has been received with a great deal of, shall I say, happiness in the west, namely that there might be five commissioners instead of three, and that they might be given deputies so that they could move about and keep in close touch with the farmers, it seems to me, because of the importance of this particular branch of industry, it would not be a bad thing for a department of government to be set up under a responsible minister to administer the grain act, in the same manner as the great transportation companies move the freight. While they may be responsible for the freight while it is in transit, they have no interest in it other than to transport it. Therefore I suggest that we set up a department of government under a responsible minister, and I think not only would the matter be more efficiently handled, but we could clean the trade of many of the evils that exist today. I think we could eliminate mixing. The department would stop all mixing after the grain leaves the farmer's hands, until it is out of the country or in the hands of the millers. If they want to mix it, let them do so, because they have to bear the consequences—the farmer through the inspection department, and the miller through the manufactured product—and it will hurt no one but themselves. Let the government take all overages to help defray the expenses of the undertaking. This is a steal that has no justification other than the sanction of someone who did not have the interest of the producer at heart. The pool is the only one which has been honest enough to give us some light on the subject, and its report of 1928 (Saskatchewan Cooperative Wheat Producers, Limited) shows that in handling 106,374,576 bushels it had an overage of 627,032 bushels. That was shrinkage at the initial elevator, but at the terminal it took on the more honourable name of overage. In fact it did not perform the thing they intended it for. I will admit that in the pool the farmer evidently gets it back in some way, but why take it from him at all? What about the line companies who handle approximately the other 50 per cent of the wheat? I would not even think they would be guilty of taking less than the pool, so that if the pool takes, out of what it handles, more than 627,000 bushels, there must be about 1,500,000 bushels of overages every year.

I am in sympathy with the attitude of the Minister of Trade and Commerce (Mr. Malcolm). I think his suggestion was a good one. I think that the Board of Grain Commissioners should be allowed to appear before the agriculture committee. I think it is only British fair play to give them that opportunity. I have had the opportunity of meeting the board on a previous occasion. I think it would be only right and proper for the group that met the Board of Grain Commissioners on that occasion to draw the attention of the house to something that happened at that time. Hon. members will remember that on the evening of February 22, 1929, the hon. member for Willow Bunch (Mr. Donnelly), rising in his place in this house on a question of privilege, drew attention to an article that had appeared in the Mail and Empire of Toronto. It has already been put on Hansard, but I think perhaps I had better read it, because it contains some statements and there have been statements made in answer to it which need clearing up. The article is from the pen of T. H. Blacklock, written, I suppose, from the press gallery. It says:

Did Hon. James Malcolm, Minister of Trade and Commerce, break faith with the western

farmer members not officially supporters of the government? They assert that he did and that the conference with the grain commission was restricted solely to western Liberals after Mr. Malcolm had promised the western farmer members would have an opportunity to discuss the grain trade with the grain commission.

I think, Mr. Speaker, that there are a few western farmer members sitting on the Liberal benches. The hon. member for Weyburn (Mr. Young), the hon. member for Melfort (Mr. McLean) and many others were at that gathering including myself, but apparently this writer does not identify us as western farmers. probably because we are supporting the Liberal government; I do not know. The article goes on:

A few days ago western farmer members waited on Mr. Malcolm to discuss the abuses of the Grain Act during the marketing season for last year's crop. It is claimed by them he placed the greater responsibility for the abuses on the wheat pools, which was suggestive that the western farmer members better not raise the question or the wheat pool would suffer. Finally, it was agreed they were to meet the grain commission.

Yesterday, certain members of the government and the official prairie Liberal members met the grain commission, but the farmer members of Alberta and Saskatchewan were not invited. One of the reasons advanced for this exclusion is that members of the government and western Liberals made statements about the wheat pool which would have been resented by western farmers.

I pause, Mr. Speaker, to draw your attention to that statement. I want to deny right here that there was anything said in that conference with the grain commisison which was detrimental to the wheat pool.

Mr. SPEAKER: Order. This matter has already been the subject of debate in this house, and the hon. member must not refer to a past debate.

Mr. VALLANCE: It was not debated. The point of order raised by the hon. member for Willow Bunch was not allowed.

Mr. SPEAKER: Exactly. Because it was not allowable.

Mr. VALLANCE: Have I not the right to refer to it?

Mr. SPEAKER: No.

Mr. McLEAN (Melfort): That matter was not under debate at all; it was not debated.

Mr. SPEAKER: The hon. gentleman is referring to a debate which took place in the house during the present session, and that is against the rules.

Mr. McLEAN (Melfort): No.

Mr. SPEAKER: Yes.

[Mr. Vallance.]

Mr. VALLANCE: If I am not privileged to draw the attention of the house to something that has already been before the house—

Mr. SPEAKER: I might remind the hon. gentleman that the matter before the house is a motion to concur in a report of the agriculture committee. The question is a very simple one, and hon. gentlemen should not roam so far from its subject matter. I have allowed a certain freedom in this debate, but really the hon. gentleman is going beyond the bounds.

Mr. McLEAN (Melfort): On a point of order, Mr. Speaker, I would like to point out that it is somewhat late in the session to take that attitude in connection with this question after so much latitude has been allowed on every other question that has come up.

Mr. SPEAKER: If the hon. gentleman finds that my ruling is not to his liking, he may appeal it.

Mr. McLEAN (Melfort): I have no desire to appeal.

Mr. VALLANCE: I have no objection to your ruling, Mr. Speaker. The only objection I have is, why should it be applied to me?

Mr. BENNETT: That is what every man says.

Mr. VALLANCE: Other hon. gentlemen have wandered further afield than I have. The hon. member for St. Lawrence-St. George (Mr. Cahan) rose on a question of privilege the other day—

Mr. SPEAKER: Which was a question of privilege.

Mr. VALLANCE: I might at least be allowed to state this in connection with the article to which I have referred. There was no member of the western Liberals who attempted to do anything detrimental to the pool. I was one of that handful of men in the city of Saskatoon who were responsible for bringing Mr. Aaron Sapiro to this country Mr. Blacklock in the next article that appears over his signature says that he got the information from an independent member of the Progressive group.

Mr. SPEAKER: Order.

Mr. GARLAND (Bow River): May I ask the hon. member to name the independent member? So far as I am concerned, I repudiate the charge. I deny it categorically. Mr. Speaker, this is really a question of privilege affecting the honour of members on this side of the house, in this corner at least. I

personally have no knowledge of this matter. The hon. gentleman is imputing somewhat dishonourable actions to us, and I ask him now to name the gentleman to whom he refers.

Mr. VALLANCE: I would refer the hon. member to the individual who wrote the article, T. H. Blacklock.

Mr. GARLAND (Bow River): That is not an answer. The hon. member must take responsibility for the statement he makes in this house.

Mr. VALLANCE: I take responsibility to this extent, that some member of the press gallery known as T. H. Blacklock had an interview, according to his own statement, with an Independent member of the Progressive group who gave him certain information. He does not name the member, but says an Independent member of the Progressive group, and if the members of that group are not responsible, it is up to them to clear their own skirts. I am trying to clear mine. I suppose some of the hon. members think that one day I did wear skirts. So I did, and I am not ashamed of it.

Mr. BENNETT: That is highly relevant to this discussion.

Mr. SPEAKER: I would remind the hon. gentleman who has the floor that Bourinot says, at page 326:

> Nor is it in order to read articles in newspapers, letters or other communications, whether printed or written, emanating from persons outside the house, and referring to, or commenting on, or denying anything said by a member, or expressing any opinion reflecting on proceedings within the house.

Mr. VALLANCE: I agree with the Minister of Trade and Commerce, Mr. Speaker, that this question should be referred to the agriculture committee, that the scope of the reference should be enlarged, and that all individuals who are interested should have the opportunity of appearing before the committee, either voluntarily, or if the committee desires their attendance, that they be called. In view of the conditions that exist in western Canada to-day, I think possibly the best thing that could have happened was for this discussion to take place.

Mr. T. W. BIRD (Nelson): Mr. Speaker, I have not spoken on the budget, and after these few remarks it is not my intention to take part in that debate.

I do not agree with the Minister of Trade and Commerce (Mr. Malcolm) that this is not the place to bring this matter to the attention of parliament. When a public scandal occurs of the magnitude of this I think the floor of parliament is the first place where it ought to be aired. The agriculture committee will be none the worse for knowing how seriously the farmers of the prairie provinces are viewing this question.

The hon. member who has just preceded me (Mr. Vallance) very clearly and accurately gave the history of the Campbell amendment. I shall not repeat his remarks except in so far as may be necessary to emphasize the fact that in 1927—I hope the noisy individual sitting in the back row on the opposite side will restrain himself a while—I say that in 1927 the so-called Campbell amendment passed this house. Our memories, I am sure, are long enough to recall the circumstances and also to remember that that amendment gave to the wheat producer the right to determine the destination of his grain. That is a very elementary right. It is astonishing that the right of the wheat grower to control his own property until sold could ever have been called in question. That right was reinstated by the so-called Campbell amendment.

The history of the amendment is significant. Properly speaking, the name of Mr. Turgeon ought to be connected with the amendment as well as the name of the member for Mackenzie, because its wording originated with Mr. Turgeon, who was the chairman of the grain commission that prior to the session of 1925 took evidence throughout the west. Its report was submitted to parliament that session, and its recommendations were embodied in a bill which came before a committee of this house. That bill contained the Campbell amendment in the very words in which the member for Mackenzie introduced it to this house in 1926 and 1927. The reason for it was obvious, as the last speaker has very well pointed out. A change came over the outlook of the wheat growers of the west in 1924, when the establishment of the pool gave them a new interest in the control of their product, and when representations were made to the Turgeon commission that the provisions of the grain act giving to the farmer the right to choose his terminal were so obscure that advantage was being taken of the obscurity by the grain trade to deprive the farmer of the right to control his commodity. The Turgeon commission determined to remove that obscurity and to state the farmer's right in words that would leave no doubt as to what was intended.

Now, as I say, that recommendation came before this house in a bill which was introduced in the session of 1925. We all know

how it failed to pass. All the forces at the command of the grain trade were brought to bear upon this house, and that elementary right of the farmer, which only the year previously had begun to assume some kind of value to him, was denied. In 1926 we all know what occurred. After the election the government met parliament minus a majority. At the beginning of the session the Progressive members came to an agreement with the government that certain legislation should be passed. Prominent among that legislation was the Campbell amendment. In pursuance of the agreement it was passed through the committee, but we all know of course that it, with other legislation, fell by the way. The following session, after another election, the Campbell amendment was once more introduced, and a good many of us remember very clearly the effort which the grain trade again made to prevent the farmer from regaining this elementary right. I was not on the committee to which the amendment was referred, but I attended its sittings regularly, and I remember the high priced legal advice sent down from Winnipeg to instruct the committee on the rights of the grain trade. I remember distinctly an address by one of these legal stars. He almost shed tears over the prospects of the grain trade in Winnipeg if this right of the farmer was reestablished in law. I am certain that one of those legal gentlemen actually did become moist around the eyes when he thought of what was going to happen to the Winnipeg grain trade if this simple amendment became law. There is a saying that corporations have not any emotions, and therefore do not shed tears. I think it was some great English writer who asked, whoever saw a corporation shedding tears. Well, we pretty nearly saw it on that occasion; we saw a great deal of emotion displayed in committee over the frightful injury that was going to be done the grain trade by reestablishing in law this simple elementary right of the farmer. But the grain trade did not get its way. The government of the day may take credit to itself for honouring its promise of the year before. Anyway, this simple provision became law in 1927 and has since been known as the Campbell amendment.

Now, Mr. Speaker, although the grain trade were foiled in parliament, they were not at the end of their resources. What they had failed to do in parliament they immediately sought to accomplish outside. We sometimes hear about the audacity of elected members, but their audacity is timidity itself compared with the audacity of these representatives of high finance, who when foiled in parliament by the representatives of the people immediately turned around and tried by other means to defeat the law. In the olden days they spoke of running a coach and horses through an act of parliament. The grain trade, in less than a year after this amendment was passed, ran whole trainloads of grain through that act of parliament. How did they do it? Very simply. They issued a form of warehouse receipt which was contrary to the act passed the same year. A copy of that receipt I have in my possession. The grain trade, I say, in order to defeat parliament, issued a warehouse receipt in a form contrary to the express statements of the act. The Campbell amendment was put into words which as we thought were perfectly clear and definite, and the resources of parliament were drawn upon to make the meaning of that amendment unequivocal beyond a doubt. Yet within a few months there was issued a document which in plain words is a forgery. A document was issued that destroyed that act of parliament, and this was done by the simple means of introducing three short English words, one noun and two prepositions—"on account of." By inserting these words into this document the grain trade of Canada proceeded once more to rob the farmers of the west of a valuable right which was theirs and which should never have been held in doubt. Talk about changing the landmark of your neighbour. This is the modern form of changing your neighbour's landmark. In the old times they said, cursed be he that changes his neighbour's landmark; and to that all the people said, amen. Here is the grain trade of Canada changing a landmark which had been erected by parliament only a few months previously for the purpose of protecting the grower of wheat from the grain trade itself. This false form, this form in its forged state, was issued in spite of section 225 of the act, which expressly forbids anyone, under penalty, to do anything of the sort.

> Every person who uses any form other than those in the first schedule to this act, or those authorized by the board with the approval of the governor in council, shall, in case any such forms are applicable, be guilty of an offence under this act, and shall be liable to a fine or forfeiture of license.

Here is the grain trade defying parliament and defying the government. Here is a private trade, whose object is private profit, shattering to bits an act of parliament passed so recently, and then snapping its fingers at the government whose right it was to superintend the issue of these tickets.

Now the farmers of the west, with ironic humour, have called this a hybrid ticket.

It is an interesting research sometimes to try to find out why the popular mind should originate a nickname of that kind. Why call this forged document a hybrid ticket? It seems to me quite obvious that it is the fruit of an unnatural union between the brains of the grain trade and what is in the place of the brains of the grain commission. It seems to me that a document of this kind could not be possible except by the subterranean processes that have gone on between the grain trade on the one hand and, on the other, this body that was supposed to stand in defence of the farmers. That is the origin of the idea of the hybrid ticket.

I want to say—it has already been said but I wish to say it more emphatically if possible—that the grain trade committed these crimes against the elementary rights of the producers and were condoned in so doing by the Board of Grain Commissioners. I do not see why the Minister of Trade and Commerce (Mr. Malcolm) should want all this extra evidence when we are faced with a fact so elementary in its character, the fact of a responsible body, deliberately and without excuse, pandering to the demands of the grain trade in face of an act of parliament which had been passed only the previous session. It is not necessary to quote them, but we have documents to show that as early as the same fall in which the Campbell amendment was passed the pools of western Canada protested against this very warehouse receipt. They sent their protest to the Board of Grain Commissioners. We have on record the replies which were given by the grain commission to these protests, and in these replies the board say that these forged warehouse receipts are in harmony with the grain act. How do they harmonize this document with the grain act? Well, there is only one explanation, and it is this. When the grain commission considered the subject they did so with their eyes not on the grain act, where they ought to have been, but on a private contract. The grain commissioners when they wrote that reply had regard not to the document which was their official guide but to a document which did not concern them in the slightest, a private contract that was supposed to be in the vaults of the grain trade association and of the pool. These grain commissioners in making their weighty decision which nullified the effect of the Campbell amendment were concerned about enforcing a private contract when they ought to have been concerned about enforcing an act of parliament for which they were paid and, as has been well pointed out, paid by the farmers themselves. If only these gentlemen had read this part of that contract with a sympathetic mind they would have seen that, as well as the human language could do so, these very rights were safeguarded, the rights which this forged ticket has taken away from the farmers. Yet they allowed that document, that private contract, to poison their judgment and divert their concern from the farmer to the grain trade.

In closing, Mr. Speaker, let me say to the Minister of Trade and Commerce that this is not a matter of the personal character or personal concern of the Board of Grain Commissioners. In considering this question let us put the board on the one side and let us put on the other the hundreds of thousands of farmers and their families in western Canada; let us try to look at this question in its true proportion. Here are the farmers of the west, who feel that the handling of their wheat is the most vital question in their lives, and you cannot wonder at farmers being suspicious when the very thing which they have put into the hands of the grain commission means almost life and death to themselves and their families. The proper administration of the grain act is more than a technical matter with farmers; it comes right down to their standard of living.

I am disappointed with the Minister of Trade and Commerce in this respect; I do not think he apprehends the seriousness of the situation; I do not think he is looking at it from the standpoint of the man who is growing wheat and whose whole life depends upon the proper and honest handling of that wheat. The minister is looking at this matter too much from the point of view of the Board of Grain Commissioners, but he must not look upon these men in the light of ordinary government employees. The members of this board stand in a peculiar relationship not only to himself but to the farmers of Canada, and I would like to say that the whole value of a commission, whether it be a grain commission or a railway commission, depends upon the nature of the discipline which a government is prepared at any moment to hand out to it, when the government thinks it has been biased in its decisions. I think a commission like this is a danger and a menace to the people concerned if the minister, through a mistaken sense of fair play or tenderness on his part, allows this commission to go unpunished for a minute.

I want you to put in the other balance these hundreds of thousands of farmers and their families in western Canada. These commissioners are human; they are not supermen. When you select ordinary human beings and appoint them to a commisison, by that act you do not make them more human

beings. They are still like the rest of us; they still possess the same susceptibilities. The only difference between them and the rest of us is that they have been elevated to a position where the exposure is ten-fold, yes, a hundred-fold more severe, where their rectitude is put to greater tests than ever we can know. If that is the case, and of course it is the case, then what is the duty of a government? The duty of a government is to be beforehand and not behindhand in disciplining these people.

I want to say that the members in this corner of the house always have been very generous to the grain commission. There was a time when the members of that board needed increased salaries, and where do they get their support? The support came from western members; it was through the initiative of western representatives that the remuneration of our grain commissioners was raised. Why was that done? It was done because the representatives of western agriculture knew that these men were in exceptional circumstances, with great responsibilities resting upon them, and they knew it to be important that these men should be sufficiently well paid to put them in a position where outside influences would have the least effect. The representatives from the west supported that increase unanimously.

I think the grain commissioners were abundantly thankful at that time to the western members; shortly afterwards I remember walking into the room of an hon. member upstairs, and in the middle of the floor was a packing case. The hon. member handed me a letter and said, "What do you think of that; shall I accept this?" Here was a token of gratitude from the grain commissioners to a member of parliament for the part he took in raising their salaries. I said to that member, "If I were in your position I would not un-nail that packing case; I would send it back to where it came from and tell these commissioners to express their gratitude by giving the farmers of the west a square deal." Have they done so? If I had known what I know now of the fidelity of the grain commissioners of the west certainly I would not have let a misdemeanor like that pass without investigation.

An hon. MEMBER: What was in it?

Mr. BIRD: It does not matter what was in the case; it might have been worse instead of better.

Mr. McLEAN (Melfort): I would like to ask the hon. member if he did investigate the matter.

[Mr. Bird.]

Mr. BIRD: No, I did not investigate it, but I would like the hon. member to remember my advice in the circumstances.

Mr. FORKE: It seems to me that is rather a serious charge to make against the board.

Mr. BIRD: I make no charge.

Mr. FORKE: Pardon me; I will repeat your words and if I am wrong you may correct me.

Mr. BIRD: I wish to correct the hon. gentleman now; I was making no charge.

Mr. FORKE: My hon. friend said a package was on the floor of the room of a member of parliament, and with it was a card saying this was sent in recognition of services rendered in a particular way. Were not those the words my hon. friend used, and was not that an attempt to bribe that member of parliament?

Mr. BIRD: I am leaving the hon. gentleman to put his own construction on it; I introduced the incident for another purpose.

Mr. FORKE: The hon. gentleman is casting a very serious reflection on the personal integrity of the grain commissioners.

Mr. BIRD: I am not concerned about the seriousness of the reflection.

Mr. FORKE: I desire to be just, that is all.

Mr. BIRD: Does my hon. friend say I am not being just? Am I not taking the responsibility for that statement? I do not say these things without deliberation. Now let me put a question to my hon. friend: What objection has he to my making that statement? Does he believe I am making it without responsibility? That is a fair question.

Mr. FORKE: All I have to say is that the hon. member said either too much or too little.

Mr. BIRD: That is a very free and easy kind of a phrase to bring into a dispute; my hon. friend copied it from the Minister of Finance who never has anything else to say in a difficult situation. I have said neither too much nor too little; I have said the exact truth, which I can substantiate by at least two other members of the house. I introduced the incident quite legitimately, in order to prove that the members of the commission are human and to indicate what the members on this side of the house expected a few years ago when they were 100 per cent behind the grain commission. They sup-

ported the grain commissioners at that time because they thought that an increase in salary would incite those men to give the farmers of the west a square deal.

I do not think there is anything in this debate which the government or the Minister of Trade and Commerce, or even the Saskatchewan Liberals, can regard in a political light. So far as the last speaker from that side of the house is concerned there can be no possible doubt but that he with others has been just as eager as we on this side of the house that this matter should be considered. I am sorry that the last speaker (Mr. Vallance) has thrown out the suggestion that some independent member had given an interview to a member of the press gallery, without indicating who he was.

Mr. KENNEDY: It is not a case of too much or too little.

Mr. BIRD: I happened to be one of the four members who interviewed the Minister of Trade and Commerce at that particular time, but I am not going to say that I was not the member referred to, because if I said that it would be a reflection upon my colleagues. If the hon. member has any idea just who it was he should tell the house and not leave a general suspicion hanging over the rest of us. He has had sufficient experience in the house to know that the members of the press gallery are experienced men. They have means and methods of gathering news which are not always obvious to the individuals from whom they obtain the news.

Mr. YOUNG (Weyburn): All the member for South Battleford (Mr. Vallance) said was that the statement appeared in the press announcing that members on this side had said a certain thing; that that was denied, and the next day the press correspondent came back with the statement that he would not retract what he had said because he had obtained his information from a member in that corner of the house.

Mr. BIRD: I did not understand it in that way; I thought he had said that himself.

Mr. DONNELLY: I have the article here if the hon. member wishes to see it.

Mr. BIRD: I am perfectly willing to take back what I said in so far as it reflected upon the hon. member. I understood that he himself had made that surmise, but if the statement was made by the press I am perfectly satisfied. However, I will say I am just as much surprised at the press as I was surprised at the hon. member when I thought he had made the statement. It is not fair to the members of parliament that such a statement should be issued which causes innocent members to come under the suspicion of their friends in the house.

Mr. JOHN MILLAR (Qu'Appelle)): Mr. Speaker, I have listened with considerable interest to the discussion which has taken place on this matter. I agree with what has been said as to the magnitude of the grain trade and the fact that the system has fallen down, but I think it is most unfortunate that this matter should come up in this house before it is dealt with in committee. When the chairman of the agriculture committee made a motion in the house which asked for the broadening of the reference, I was rather surprised to see the objections to that motion coming from the southeast corner of the house. We tried to arrange this matter in the committee so that the reference would be broad enough to enable the matter to be discussed in committee; the member for Bow River (Mr. Garland) asked the chairman very pointedly if it would be interpreted in that way, and he received an answer in the affirmative. I was therefore rather surprised to see objections offered to this motion from that corner of the house. We have the situation of the three men composing the Board of Grain Commissioners being charged with the most serious blunders and not having the opportunity to defend themselves or offer an explanation.

One of the matters was discussed with the board in a committee of which I formed a part, but only one. It may be that other members of the house met the members of the board at a different time to discuss other matters, but they would be very, very few. In a general way the members of the Board of Grain Commissioners are being charged in the House of Commons with most serious offences; in fact insinuations of bribery are made. The newspapers of Canada will be full of this sort of thing and it will be two or three weeks before the members of the board will have an opportunity to offer a defence. I think that is very unfortunate and very unfair; it would have been better to have had this matter taken up in the agriculture committee where the members of the board could have appeared and given their explanations. The members of the committee could arrive at a decision and then report back to the house where the matter could be discussed. In that way, there would have been no undue publicity in the public press.

I should like to say a word here with regard to the commissioners. It has been stated by those who have already spoken that there is no desire to accuse the commissioners of, I think the expression was, "dishonesty." I submit that the commissioners are being treated in a way which is equal to being charged with dishonesty; a serious stigma has been placed upon them before they have a chance to defend themselves. I believe I have known one of the commissioners longer than any other member of this house, except the Minister of Agriculture (Mr. Motherwell)—for some thirty-five years. I would like to speak first of Mr. Snow. He was a farmer near the town of Wolsely, and I believe he was present at the very first meeting of the grain growers' association. A little group of about twenty-five met and organized a small association. That association was jeered at and laughed at for years; it had all sorts of difficulties to meet and contend with; and it had to fight its way up. Those men spent their own money and sacrificed their time in driving around the country through storms and all kinds of weather. That little group depended more upon the advice of Mr. Snow than of any other individual, with the exception of the Minister of Agriculture. What would have happened if the infant organization had not been well and truly nurtured during those early days? We probably would not have had any permanent farmers' organizations to-day. It was very important that the foundations of the organization should be well laid, and I believe they were. I know of no one, outside of the Minister of Agriculture, who played a greater part in that work than did Mr. Snow. He was later appointed, on the recommendation of the farmers themselves, to the position of deputy to the Warehouse Commissioner, Mr. C. C. Castle. He travelled through the western country for years, investigating every complaint which was received in writing. He adjusted many differences, and I know of no period in the history of western Canada when the grain trade ran as smoothly or as satisfactorily. Are these things all to be forgotten? Is there no such thing as gratitude?

Mr. BENNETT: It is a lively hope for favours yet to come.

Mr. MILLAR: That may be my hon. friend's conception, but it is not mine. I have known those three men for many years, and I know of no time in their history when they could be accused of an act that was dishonourable or ungentlemanly. I admit they made a mistake. They made a mistake in regard to the hybrid ticket, and I have no hesitation in saying to them that in that they were wrong; they blundered. But if the men who are attacking the commission, as they are, wish to be consistent, they will, as contract signers of the pool, be almost compelled to ask for the resignation of the directors of the pool, because this was caused by two things, first, the action of the Board of Grain Commissioners, and second, the action of the directors of the pool.

Mr. GARLAND (Bow River): What under heaven have the pool directors or the pool contracts to do with the administration of the grain act?

Mr. MILLAR: If my hon. friend had waited a moment I would have come to that point. I admit they had nothing whatever to do with the administration of the act. In arriving at the decision they did, they were wrong, but the difficulty that has arisen and the loss that has been sustained were caused as much by the action of the directors of the pool as by the action of the Board of Grain Commissioners. If either had been absent, such a condition could not have occurred.

Mr. GARLAND (Bow River): Will the hon. member explain that? It is not clear.

Mr. MILLAR: I do not think it needs any explanation.

Mr. GARDINER: It certainly does.

Mr. MILLAR: If they had not signed the contract, the loss could not have occurred.

Mr. GARLAND (Bow River): Has the hon. member read the contract?

Mr. MILLAR: I have heard parts of it read.

Mr. GARLAND (Bow River): Is the hon. gentleman aware that under clause 15, I think it is, the contract carefully provides a full safeguard that the grower's rights under the Canada Grain Act are preserved to him?

Mr. MILLAR: I am aware of all that. I have heard that clause read.

Mr. GARLAND (Bow River): In what way are the pool directors responsible?

Mr. MILLAR: The hon. member has had his forty minutes and, I have only the same length of time.

Mr. GARLAND (Bow River): The hon. member has made a mistake and cannot get out of it.

Mr. MILLAR: They both blundered and it was an act of injustice.

Mr. FANSHER (Last Mountain): May I ask a question?

Mr. MILLAR: No, I have only forty minutes.

Mr. FANSHER (Last Mountain): Then let the hon. member prove his statement that they blundered.

Mr. MILLAR: There is widespread dissatisfaction, but the situation is simply this: that the grain trade has grown to enormous proportions and our machinery for handling the trade has not grown in proportion. Trade practices have changed; new trade practices have grown up and the machinery is not sufficient. The board was simply undermanned and I should like to ask those who have been making the attacks on it: If they were placed in an important position and found that the job was enough for five men, whereas there were only one or two to do it, would it be just to blame the one or two men for failure to do five men's work? It is a little unfair, it seems to me.

The dissatisfaction that is rife in western Canada to-day may be placed in three classes: mixing, diversion of cars and a lack of a proper system of grading. The difficulty is that the farmers themselves have not been united. Let us take the matter of mixing first: can anyone claim that there was such a crystallized public opinion on the matter of mixing that even a government which was prepared to go ahead and pass legislation was in a good position to do so? What happened in 1925? The pool officials who were present in the committee at that time when the matter was being discussed, represented a body who were not themselves a unit. One of them stated in the committee that the pool was mixing and did not wish that privilege taken away. I am not blaming the pool for that. They had not come to an agreement. There were differences of opinion, and that is and has been the case up to recent months, all through the country. Mainly because of the work of the committee last year public opinion has now been crystallized, and there is a strong majority of opinion in favour of stopping mixing entirely. But that has been brought about only within recent months.

In the case of diversion of cars, has there been united public opinion? That is one of the greatest evils. The railway companies and the elevator companies gave consent to the opening of cars and while I cannot see that this is illegal, it certainly has caused the farmer a great deal of loss. But on that point there has not been crystallized public opinion; there has been a difference of opinion. When those interested as much as the farmers themselves were not a unit on the matter, I cannot see how the grain commission could reasonably or consistently go ahead and prevent the practice of diversion of cars.

I am free to confess that a reorganization is necessary but I think it would be unfortunate that the course suggested should be taken, namely, that the three commissioners should be discharged. Men against whom no proof of dishonesty can be brought should not be treated in this way. If, on account of any other cause such as ill health or physical disability, it is found that they are not able to fill the bill; that they are not the big men we want, for any such cause I would say that a reorganization should take place, and new men should be appointed. But it is only just, that as regards men who have served the country as faithfully as they have, and, as I said before, against whom no charge of dishonourable conduct can be made, it should be left to the Minister of Trade and Commerce and to the government to bring about a reorganization just as the head of any large business concern would do. That would be far better than the method of attacking the Board of Grain Commissioners without giving them a fair opportunity to defend themselves and suggesting that they should be publicly discharged, to that discharge of course being attached a certain amount of disgrace. It takes a long time to build up a good reputation, and some of these men are probably as jealous of their good names as any members of the house. No matter what hon. members say about their good intentions towards these men, and what they personally think of them, if this course is taken of publicly attacking the members of the commission and publicly discharging them, their names are gone; they are blackened. For instance, a man like Mr. Enow who is nearly seventy years of age, a man to whom the country is very greatly indebted, will be cast off with a blackened name and a destroyed reputation. I do not think that is good for the welfare of Canada. If men are going to be attacked in this way, where will you find good men who will take their place? Good men will be very shy about accepting this job if men such as the ones we have now are to be attacked in this way and discharged in the manner suggested.

Mr. M. N. CAMPBELL (Mackenzie): When the Prime Minister (Mr. Mackenzie King) this afternoon made efforts to prevent or to curtail this debate, I think he failed

to realize the vital importance of the question to the farmers of western Canada. As a western member himself, he did not realize, I think, how very important this matter is. During the eight sessions that I have been here as a member in this house, with the exception of one other matter, this is the most important question so far as the interests of the farmers are concerned that has come before parliament in that time; that one exception was the Crowsnest pass rates case in 1922.

May I give a brief summary of the history of the grain act, particularly with respect to the special bin ticket, since 1900. The first grain act, known as the Manitoba Grain Act, was passed in the year 1900. That act provided for three forms of ticket—the cash ticket, the regular storage ticket, and the special bin ticket. It is the special bin ticket around which the whole controversy rages to-day. The particular section of the 1900 act with which we have to deal in this connection says that wheat, if in carload lots, was deliverable to the party upon whose account it was taken into store. But the ticket set out in the schedule of the act said that the grain was deliverable "to the above-named or his order," and the farmer's name, of course, would appear at the top of the ticket. and so it referred to that particular farmer. Section 225 of the Canada Grain Act, the present act, makes it an offence for anyone to use tickets other than those set out in the schedule of the act.

In 1912 the whole act was redrafted, and section 159 of the new act said that the grain was deliverable to the person upon whose account it was taken into store, while the ticket read "to the above-named or his order," just the same as it did in the old act of 1900.

In 1925, the act was again revised, but you find that same provision in the act, and those same words on the ticket, and that continued up until 1927, so that for twenty-seven years there was no change so far as those words in the act, and on the ticket issued under the act, are concerned.

The amendment of 1927 made some fundamental changes in the act. It gave to the producer the right to determine the destination of his grain. Some of us claim that the producer always had that right, but the amendment placed it beyond a doubt that the individual farmer had the right to say to what terminal point and to what terminal elevator his grain should be delivered. This change in the act of 1927 necessitated a new form of ticket because it altered the right of the parties as to the terminal destination of their grain, although it did not in any way alter the section as regards the particular words that we have been considering. Section 150 of the amended act of 1927, says that the grain is deliverable to the person on whose account it is taken into store. So in twenty-nine years there has been no change so far as that particular wording is concerned. But the new ticket that was issued by order in council P.C. 807, dated May 4, 1927, provided that instead of the grain being deliverable "to the above-named or his order," as had been the case since 1900, the grain was deliverable to the person on whose account it was taken into store. That is the crux of the whole matter, and that is the point to which I wish particularly to refer.

May I say that this provision was made in the bill which was drafted by Chief Justice Turgeon, and the amendment of 1927, so far as this particular phase is concerned, brought the act back to the exact form in which it was when it was introduced in this house. As hon. members know that act was amended in the agriculture committee and went through the house in its amended form, and the amendment of 1927 was simply putting back into the act the exact words that were in the bill as originally drafted by Chief Justice Turgeon. So therefore I think I am perfectly right in saying that the ticket drafted by Chief Justice Turgeon to come into conformity with the act is the one that we should have at the present time, and the one that should have been covered by the order in council to which I have referred. That particular form of ticket will be found on page 82 of the act. It says that the grain is deliverable "to the person above-named or his order," and that is what we should have at the present time. This is where all the trouble began. This is where we find something wrong in the wording of the ticket.

May I point out that while it would appear fairly obvious on the surface that the grain interests made some representations, I do not know to whom, whether to the Board of Grain Commissioners or the cabinet, in connection with the drafting of this ticket, the pools were never consulted in this matter, although they control fifty per cent of the grain, and they knew nothing about this ticket or about its form until months after when it was in use. I contend, and the minister will bear me out in this for he is on record as taking the same stand, that any agreement existing between the grain pools and the grain trade has no bearing on the act, that no private agreement can over-ride the act. Nevertheless, because a

certain agreement has been brought into the discussion, I shall make a brief reference to it.

In the handling contract between the pools and the grain trade, clause 15 reads as follows:

The pool agrees that all pool grain, of whatever class, forwarded to terminal points, shall be handled through any elevator the company desires.

I think that is quite plain. It goes on:

Provided that nothing in this clause contained shall take away from the grower any rights he may now have under the Canada Grain Act.

That also appears to be perfectly plain, and it appears to me that there could not be any misunderstanding about it. The grain companies, however, immediately claimed that a pool grower had now no rights under section 150 of the act, as those rights had been assigned to the pool as an organization, and they claimed that pool grain delivered into a line elevator was taken into store on account of the pool. That is where those words "on account of" become of such vast importance. We can see the bearing which the change in the ticket has on the whole matter under discussion. The pool officials claim that under the arrangement which they had with the grain trade all the street wheat would, of course, be taken to the company's own terminal. They further admitted, after a long discussion with the grain trade, that so far as they were concerned they were willing to allow any pool grain to go to the company's own terminals unless the grower expressly reserved his right under the Canada Grain Act; and to place the matter beyond all doubt they had this particular clause which I have just read inserted into the agreement. That is their contention.

In section 25 of the same agreement there is another clause to the effect that the company guarantees that in the conduct of their business they will not in any way discriminate between the growers who are members of the pool and those who are not. Now, if the company's contention is right, if they are right in saying that this agreement waived on the part of the growers the right which they had under the Canada Grain Act, then they are violating this other clause in that same agreement, because they do not dispute the right of a non-pool farmer to determine the destination of his grain, while they do dispute the right of a pool farmer to do so. Therefore this other section, No. 25, has been violated by them; that is, if they are right in one case they are wrong in the other.

In addition to this new form of ticket which was covered by the order in council, which apparently was not sufficient, the trade brought out the other ticket which has already been referred to and is known as the hybrid ticket. It reads that the grain is received from John Smith, say, on account of the Saskatchewan Cooperative Wheat Producers Limited. We find after "on account of" the particular pool name added; sometimes it is inserted with a rubber stamp, at other times it is printed right in the ticket, although no such provision is made in the original form. Our contention is that the grain trade had no right whatever to change the original form of the ticket. They claim that under this hybrid ticket grain delivered by a pool farmer to the elevator is not subject to his order, that it is taken into store on account of the pool. It is quite obvious that they could not have done this had it not been for that particular form of ticket which was authorized by the order in council that I have quoted, because it is stated to be taken into store on account of, instead of—as it should be—"to the above named or his order." I see no reason whatever for this form of ticket being authorized. The form should be similar to that suggested by Chief Justice Turgeon, because the clause in his draft act is exactly the same as the one that appears in the present act.

I have under my hand sessional paper No. 141 covering correspondence between the board, the pool, grain trade and the complaints of farmers in connection with this matter. May I read telegram No. 41. It is in reply to a telegram forwarded to the board by the Saskatchewan pool asking the board's opinion on certain provisions of the act. It reads:

Winnipeg, October 25, 1927.

To the Saskatchewan Cooperative
Wheat Producers Ltd.,
Saskatoon, Sask.

If Arrand is owner of the grain delivered by him to State elevator, until said grain is handed over to pool at terminal he has a right to order his grain shipped as he desires.

Mr. McLEAN (Melfort): Mr. Speaker, is the hon. member in order in view of your ruling given a short time ago?

Mr. CAMPBELL: The signature is "M. Snow," grain commissioner.

Mr. SPEAKER: What is the substance?

Mr. CAMPBELL: It is in reply, Mr. Speaker, to a telegram despatched to the Board of Grain Commissioners by the Saskatchewan Cooperative Wheat Producers Limited, and gives the board's decision on the point referred to.

Now, this decision is very important, because it bears out our contention in full. In the first place, the board rule that the grain does not become the property of the pool until it has arrived at the terminal. That is covered by the agreement between the pool signer and the pool organization. In effect the grain does not pass over to the pool. In fact I may read clause 5 of the contract between the grower and the company:

> Wheat shall be deemed to be delivered to the association within the meaning of this contract so as to render the association accountable for only when the storage and bills of lading, warehouse receipts and so forth shall have been transferred and delivered, properly endorsed by the growers to the association.

That is our contention, and in this decision the board bore us out. They state very definitely that the grower has a right to say where that grain shall be shipped. On November 11, 1927, there is another telegram to the Saskatchewan Cooperative Wheat Producers, Ltd., Regina, signed by F. J. Rathbone, secretary of the board. It reads:

> . . . . board directs me advise if pool member delivers grain to non-pool country elevator with instructions that grain is delivered on account of pool and accepts tickets issued accordingly, grain is then deliverable to person on whose account taken into store, and if tickets read "on account of pool" grain is then deliverable to pool in accordance with tickets.

Now, sir, that alters completely the original decision; it is an entirely different decision. This decision is that if the grower puts his grain in the pool and takes out what we call a hybrid ticket, the grain then becomes subject to this contract and the grower has lost control of it. On another point they state:

> Under grain act any farmer, pool or non-pool member, delivering grain either to pool or line country elevator can demand tickets in form as provided by the grain act.

This is another important decision. In this case they do decide that the grower, if he is not satisfied with what we call the hybrid ticket, can demand the regular ticket. So even a pool farmer would not be under any great disability, he would simply have to refuse the other ticket. May I read another telegram, No. 62 in the file:

> Fort William, Nov. 15, 1927.
>
> To the Manitoba Cooperative
> Wheat Producers Limited,
> Winnipeg, Manitoba.
>
> Answering your wire, have advised Canadian Elevator Board of opinion that if when grain delivered agent was advised same was on account of pool, and if tickets so issued, under grain act grain is deliverable to pool on whose account taken into store.
>
> F. J. Rathbone.

There you have an entirely different decision. In fact these three decisions that I have quoted are at variance one with the other. In this case the board rule that if the farmer brings in grain and says it is pool grain, and the tickets are issued that way, he has no alternative. Let me read No. 65 in the file. This is another telegram: This is a question put to the board by the Manitoba pool. It reads:

> Winnipeg, Nov. 17, 1927.
>
> To Board of Grain Commissioners,
> Fort William, Ont.
>
> We stated your yesterday wire not clear. Consequently still don't know your opinion. Advise definitely board's opinion as to whether or not Canadian Elevator Company obliged to bill this grain to pool terminal if grower instructs.
>
> Manitoba Cooperative Wheat Producers Ltd.

The reply of the board is No. 67 on the file. It reads:

> Reply your wire, reference Canadian Elevator case, board will consider question fully just as soon as full board able to meet. Full board not in Fort William.
>
> F. J. Rathbone.

There you have an evasion again instead of giving a decision on the point referred to them. About this time the board referred the matter to the Department of Justice, and may I quote from the opinion of the department which was given on January 11, 1928:

> It is contended on behalf of the pool that the intention was that the company should have control of the shipment unless the grower should elect to exercise his right under section 150; that that is the effect of the proviso of clause 15 of the agreement mentioned above. . . .
>
> Owing to the fact that the parties have failed to express their intention clearly, I entertain considerable doubt as to whether the grower may, if he chooses, elect to divert the grain to a terminal of his selection. I should think he probably can, if he has not stored the grain in the country elevator on account of the pool, but Mr. Boyd has not asked advice upon this point.

This opinion is not definitely expressed because the questions were stated in an indefinite way, but so far as the opinion goes it does rule that the grower would have the right to refuse a hybrid ticket; he may choose what he will accept. I wish to read again from letter No. 93 on the file. This is from Fort William and is dated January 16, 1928. In part the letter reads:

> While the Canada Grain Act provides that the shipper may select the terminal point and the terminal elevator to which he desires his grain to be shipped, the board understands that the pools have entered into contracts with line elevator companies authorizing them to ship to their own terminals any pool grain received by them.

There is a remarkable thing. After the rulings they have given, they now invoke

this particular agreement and in effect say to the farmer that because of this agreement he has lost his rights under the grain act. May I refer again to the telegram despatched by the minister to Mr. Boyd, No. 618 on the file, in which the minister points out clearly to that gentleman that the agreement should not be invoked. The telegram is dated Ottawa, January 28, 1929, and reads in part:

Parliament amended law to assure producer right to determine destination of his own grain. Board should take position that no contract between pool and grain trade should deprive producer of that right.

The telegram is signed James Malcolm and shows clearly that the Board of Grain Commissioners in this case were in conflict with the minister so far as the ticket was concerned. Let me refer again to the letter, No. 140 in the file. This is dated October 18, 1928. It is addressed to the Western Elevator Company Limited, Winnipeg, in relation to a letter from Mrs. F. J. Kernen, with regard to a car from Sutherland, Saskatchewan. The letter reads in part:

The board is informed that ordinary storage tickets were issued against this car, and if so, it appears to the board this party would have a perfect right under the grain act to give instructions as to what terminal this car should be shipped to.

There is a clear and unequivocal decision as to what would happen when the ordinary tickets were delivered; yet in this particular case, and in many others following, where the regular tickets were delivered, the board took no action whatever to enforce it. On November 20 the board drafted a circular letter, numerous copies of which exist. They seem to have sent out this circular to any farmer who made complaint, and in it they say:

Many informal investigations and numerous conferences were held by the board with interested country elevator companies with the hope that the elevator companies would honour the tickets issued by them in the name of the individual by shipping the grain to the terminal elevator designated by the holder of the tickets in accordance with the provisions of section 150 of the Canada Grain Act. However on discussing these particular complaints with the elevator companies it is pointed out by them that although tickets were issued to the farmer in his own name it was subsequently discovered that the farmer is a pool member and in view of certain contracts which had been entered into between the grower and the pool, and the elevator companies and the pool, they are justified in treating the grain delivered by you as pool grain, and under the terms of their contract with the pool they have the right to ship such pool grain to their own terminal elevator.

There again we have an entirely different decision, the board acting as parrots for the grain trade and simply repeating the opinion of the trade and passing it on. We have entirely contrary decisions on the part of the board, who apparently were taking their legal advice from the grain companies. As each different case is submitted to them they shift their ground and fall back upon some other decision altogether. And that the companies themselves were not entirely sure of their ground is proved by the fact that in many cases when complaints were made to them they did agree to concede to the farmer the right to which he was entitled under the grain act. Let us take the case of the North Star elevator of Louis Heinz, Saskatchewan. This car was loaded contrary to the shipper's instructions, and in a letter dated January 25, 1928, the company admit the farmer's right in the matter and agree to send another car in its place. In case after case, company after company I find agreed, when the circumstances were submitted to them, to send the grain to the terminal of the farmers choice, showing clearly that they were not sure of their own ground. In these particular cases the farmer had received the straight ticket and not the hybrid ticket. Let me now refer to letter No. 278 on the file This is from Messrs. Hudson, Ordmond, Spice & Symington and is addressed to the secretary of the board. It has reference to the case of H. L. Stutsman and Pioneer Grain Company, and reads in part:

This grain was originally shipped to a terminal of the company's selection because it had come to the knowledge of the agent that it was in reality pool wheat and was in his judgment, therefore, under the pool contract.

Here the regular ticket was given to the farmer. He gave instructions according to his right and later they found it was pool grain inasmuch as he had asked to have it shipped to the pool; yet without any right whatever —and it is lawyers who are writing—they take it upon themselves to handle the grain through their own terminal. In such cases the board deliberately ignores the act, taking no means to have the law enforced.

With regard to this so-called hybrid ticket, may I refer to a memorandum drawn up by the pool's solicitor at Winnipeg. The memorandum gives some data of an interview between the board and some of the pool's officers at Winnipeg in December, 1927. I quote:

The board said it had not included the words "on account of Manitoba Cooperative Wheat Producers Limited" when drafting new ticket for use under Campbell amendment. Those words had been subsequently added by the grain trade but the board had approved of their so doing because they considered it necessary to indicate on the ticket the person on whose account the grain was received.

Further on in the brief they point out that Mr. Snow, speaking for the board and in the presence of other members of the board, stated that the board had not included the objectionable words. Let me read what is said:

He said that the new wording had been added by the grain trade, but that the board had approved of the trade so doing, because the board considered it necessary to indicate on the ticket the person on whose account the grain was taken into store.

Previous speakers have reminded the house that no ticket is legal unless it is prescribed in the act or by order in council, and this particular form was never covered by any order in council, so that it comes directly into conflict with the act. May I quote from a letter written by the secretary of the board to the attorney for the Saskatchewan pool. This is dated December 14, 1928, and appears as No. 162 in the file. In part, it reads:

With regard to your observations while travelling with the Saskatchewan grain inquiry commission as to the form of tickets which are used by a number of elevator companies contrary to the wording of the Campbell amendment, I am directed to say that this is the first intimation the board has received that country elevator companies are not issuing tickets strictly in accordance with the above amendment.

It seems rather remarkable that a year after the complaints were made and a year after, according to this memorandum, they admitted having approved of the ticket, they claim to have no knowledge at all of it. The letter goes on:

The board further directs me to say that if any elevator company has issued tickets which are not in accordance with this amendment, it will do everything in its power, under the provisions of the act, to have the elevator company concerned honour the tickets in the manner in which they have been issued.

However, sir, there is nothing in the file, no copy of a circular letter or anything to prove that they ever took any action of that kind.

Now may I again read a letter which is number 211 in the file, dated January 6, 1928, from Mr. Snow to R. Cameron, Aberdeen, Saskatchewan:

A great many complaints are reaching the board in connection with the use of the ticket you complain of, but the elevator companies claim that under an agreement they have with the Saskatchewan pool a party delivering pool grain must state it pool grain—

This is about the sixth time the opinion of the board has been shifted.

—and that they have the right to select the terminal elevator that this grain can be consigned to.

[Mr. Campbell.]

Further on it says:

At the present time the board is unable to compel the country elevators to consign pool grain to any other terminal than the one they select.

That is a remarkable thing, because under the act they are given the power to discharge elevator operators, or to take away the license of any country elevator, but now they state they have no power whatever.

Again may I refer to two cars of grain shipped by John Hill of Lake Valley, Saskatchewan; this is a case of grading. Mr. Hill took samples from these two cars, which cars graded No. 4 at Winnipeg; the samples, both at Moose Jaw and at Winnipeg, graded No. 3, and when he called for a re-inspection only ten days later he was told that the samples had been destroyed. However, there is a letter from the chief inspector to the board stating that these samples were kept for thirty-one days. I quote this to show that they have not been checking up in these matters as they should.

I beg to move the adjournment of the debate.

Motion agreed to and debate adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, March 21, 1929

The house met at three o'clock.

ROYAL ASSENT

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

Ottawa, March 21, 1929.

Sir,

I have the honour to inform you that the Right Honourable Mr. Justice Duff, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber this day at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be, Sir,

Your obedient servant,

James F. Crowdy,
Assistant Secretary to the
Governor General.

REPORT OF COMMITTEE

First report of the select standing committee on public accounts.—Mr. Casgrain (for Mr. Jacobs).

DEATH OF MARSHAL FOCH

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, it is appropriate that at this time and in this place mention should be made of the sorrow with which Canada, in common with all parts of the British Empire, and in common with the nations which were allied and associated with France in the Great War, learned of the loss which the world has sustained in the death of Marshal Foch. It is unnecessary to review either the noble life of Marshal Foch or the incidents of his great career; they are known to all. Suffice it to say that never before in the history of mankind was the fate of so many nations entrusted so completely to the judgment of one man. That so great a trust was wisely reposed, is everywhere acknowledged. In expressing, therefore, to France our sympathy in her national bereavement, we give expression as well to a sense of world loss in which we also share.

It was my privilege, on the occasion of the visit of Marshal Foch to Canada in 1921, to extend to him, on behalf of the Canadian people, a welcome to the capital of our country. May I be pardoned if I venture to repeat to the house, from the report of what was then said, words with which I concluded my remarks, and which, if they possessed aught of appropriateness at the time, have an added significance in the existing circumstances of to-day. They are repeated in the belief that a word of just appreciation to the living is worth many eulogies upon the dead. Seeking to express the feelings of the Canadian people I said to Marshal Foch:

"It is, however, not alone because in the hour of supreme conflict in the world's greatest of wars, millions of warriors looked to you as their leader, or because a war swept world hails you to-day as a deliverer, that we most honour you. Rather is it that in your singleness of vision and humility of spirit we perceive the secret of all guiding genius worthy of the name.

> Who is the happy Warrior? Who is he
> That every man in arms should wish to be?
> —It is the generous Spirit, . . .
> Who, doomed to go in company with Pain,
> And Fear, and Bloodshed, miserable train!
> Turns his necessity to glorious gain; . . .
> He labours good on good to fix, and owes
> To virtue every triumph that he knows.

In Foch, the man, we discern the character of the happy Warrior. He who, whether amid adversity or triumph, loves mercy, seeks to do justly, and walks humbly with his God. To have had among us one who is truly great, a hero with a hero's soul, is to inspire within our country more of reverence for the source of all true greatness. For this inspiration, which we shall ever hold in remembrance of this visit, we thank you, too, with all our hearts.

As Canadians, we honour your illustrious name; your immortal fame we shall ever cherish. May the light that never faileth lead you on!"

That prayer, Mr. Speaker, would appear to have been answered. We are told in the press despatches that among the last requests of the great soldier was that he might be moved into the sunlight. That wish has been fulfilled, not with the aid of his physician, but by the hand of the Creator.

May I add, Mr. Speaker, that the government has given instructions that the flag which flies over these parliament buildings shall be flown at half mast during the time of the funeral of Marshal Foch, as a mark of national respect to the memory of this great and good man.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, we who sit to your left desire to associate ourselves with the very moving observations that have been made by the right hon. the Prime Minister (Mr. Mackenzie King), for we realize that in the passing of Marshal Foch there has departed from this world one of its very greatest citizens. He was great not only as a military genius, not only because in a moment of great peril, when he was entrusted with grave responsibilities, he discharged them in a manner wholly satisfactory to those who had reposed their confidence in him, but he was great because of the possession of those qualities which one of our own great writers has referred to as the earmarks of true greatness. He was a man of great humility, with a high sense of duty, a fine regard for his obligations to his fellow-men, and above all, with a true respect of his obligations to his Creator. We are told that at moments of the direst stress and strain, when the fortune of armies hung in the balance, it was his custom to repair to a little chapel and there to offer his devotion through Mother Church to his Creator. For one possessed of such power and occupying such a high and responsible position, to be mindful at moments of great crisis of his obligations to his God was characteristic of this great soldier and truly great man.

We do indeed grieve and sympathize with France in the death of her greatest soldier, one whom we have reason to regard not only with the highest esteem, but more, with almost affection because in a great crisis of the war it was to the Canadians he turned

as the spear head of his attack, realizing that in their valour, in their bravery and their courage, he had the instrument best suited to accomplish the purpose which he had in mind. That in itself was a wonderful tribute paid by a great soldier to the valour and courage of our Canadian soldiers.

We grieve to-day with practically the whole world. It is an odd circumstance but it is a fact that the deceased marshal had never heard a gun fired in anger, until after the Great war broke out. Until then he had had no military experience in the field. He had been simply a student of war, and his two military textbooks are perhaps the two greatest books on war that the world has seen, for he applied to modern conditions the science of Napoleon, and in so doing made victory possible.

I remember having heard in England that a number of soldiers were regretting that Field Marshal Earl Roberts was not acquainted with the German language, and was therefore unable to appreciate the great works that had been produced by some of the masters of war in the German empire. But Earl Roberts remarked that he did not think it essential that he should be thus qualified because there was a colonel on the staff college of France whose works he did understand, and who he believed in the event of there being a great war within a limited number of years must be the man in whom the armies of many nations would repose their confidence. The foresight that characterized the view of Earl Roberts at that time was amply justified by the result.

The affection in which the late Marshal Foch was held in Great Britain is evidenced by the fact that our sovereign conferred upon him the Order of Merit, and indeed Foch was a Field Marshal of the British army at the time of his death. No greater honour could have been conferred upon a man who was not a British subject than was conferred upon Marshal Foch by the sovereign of the British Empire.

It is fitting that we in this parliament of Canada, the oldest and the greatest of the overseas dominions, should associate ourselves with the citizens of the great republic where he was born and of which he was such a distinguished citizen, associate ourselves also with the motherland and the other overseas dominions and with the other nations who were associated and allied with us in the Great war, in their grief at the passing of one whose genius, whose foresight, whose steady nerve, whose devotion to duty, whose calmness in the great moments of the war enabled him to snatch victory where defeat seemed imminent, and made the path of duty the path of glory, as was said by one of our own great poets when speaking of Nelson. And so to-day we associate ourselves with the right hon. the Prime Minister in the tribute that he has paid to this great figure which has just been removed from amongst us. We grieve with his native land, but we rejoice that a soul so great has passed to his eternal home.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, we in this part of the house wish to associate ourselves with the sentiments that have been expressed by the right hon. the Prime Minister (Mr. Mackenzie King) and the hon. leader of the opposition (Mr. Bennett) in their tribute on the death of a world hero. In Marshal Foch the world had a hero, not one of the foolhardy kind, but one whose courage was born of faith and of the guidance sought from the One in whose hands the destiny of all nations lies. Being a man of faith, he was also true to duty. He came forth at a time when the allies needed somebody in whom they could place their trust. Marshal Foch was a patriot of the first order, not one that sought glory particularly for himself or even for the French nation, for he had the cause of humanity at heart.

In considering the life of Marshal Foch let Canada to-day, with her two races, learn the lesson of cooperation, as our parent nations did in the time of their anguish when they made common cause in the task of winning the war. The name of Foch will go down in history, not particularly as that of a French patriot but as one who made humanity's cause his own. It is at times like this that the significance of all our actions and the eternal bearing which they have is brought home to us. Perhaps we can do nothing better now than to look back over the years leading up to the war, and in a national way do some real heart-searching and thus strive to find out if we can whether we were, either personally or nationally, in any way responsible for that great struggle which took away so much of the cream of humanity. To-day we mourn the death of a great and a good man.

Hon. CHARLES MARCIL (Bonaventure) (Translation): Mr. Speaker, I trust the house will allow me—being one of its oldest members—to thank, on behalf of the French-speaking people of Canada, the right hon. Prime Minister (Mr. Mackenzie King), and the distinguished leader of the opposition (Mr. Bennett), for the so well deserved tribute paid

to the great field-marshal Foch. If the citizens of English origin in this country manifest both admiration and veneration for the memory of this distinguished man and illustrious soldier, such admiration and veneration are doubly felt by those in whose veins flow the same blood as that which flowed in the veins of Ferdinand Foch.

We, of French ancestry, have always sought the "entente cordiale" between Great Britain and our former motherland. We most anxiously hoped for this entente, under Edward VII—the great arbitrator of peace in Europe—and we finally realized it with the great world war of 1914. We were doubly honoured on that Sunday morning in December, 1921, when Ferdinand Foch visited Ottawa to officially thank the Canadian people for its participation in the war. He had then gloriously crowned his victory, and had what is more the very great satisfaction of having prevented further carnage the moment that honour had been vindicated.

The hon. leader of the opposition has just told us that Field-Marshal Foch was mindful of his obligations to his God, and that, in the midst of the greatest battles, it was his custom to repair to a little countryside chapel and there invoke the aid of his Creator. He gave us a beautiful example of piety, that Sunday morning in December, 1921, when in leaving the railway station, he drove to the Basilica to hear holy mass, kneeling in the choir beside His Grace the Archbishop of Ottawa. He performed this religious duty previous to receiving the welcome tendered to him by the people. We have a vivid recollection of his visit to the University of Ottawa, the seat of French culture, and furthermore he duly paid his respects to the representative of our Sovereign in Canada.

No more need be said. I think it was but proper that a French voice be heard in this house so as to thank those who paid tribute to the great departed soldier. What we are saying to-day will be re-echoed in France, in Paris. Even at present, the government of the French Republic is making arrangements to pay the late Field Marshal Foch the supreme honours paid to her great men, to those who have well served their country.

I wish to thank the leaders of the three parties—since there are three parties in the house—for their participation in this display of sincere friendship and bonne entente we have shown to-day, by paying tribute to the great generalissimo who has just passed away.

GRADING OF GRAIN

WHEAT—INSPECTION, SHIPMENT AND PROTEIN CONTENT—REFERENCE TO COMMITTEE ON AGRICULTURE

The house resumed from Wednesday, March 20, consideration of the motion of Mr. Kay for concurrence in the third report of the select standing committee on agriculture and colonization.

Mr. M. N. CAMPBELL (Mackenzie): The Minister of Trade and Commerce (Mr. Malcolm) in his brief address yesterday protested against this debate, Mr. Speaker, and asked that the committee on agriculture be permitted to inquire into the subject matter and recommend any changes that may be necessary in the Canada Grain Act. But in this debate we are specifically considering the failure of the Board of Grain Commissioners properly to enforce the Canada Grain Act. Now in substance and in effect the minister has recommended that the committee on agriculture be asked to recommend whether the act should be enforced. What we want, Mr. Speaker, is not more recommendations. What we want is not more legislation. What we want is the present act administered without procrastination and without equivocation; what we want is not the present supine and spineless attitude but the present law administered in the interest of the producers.

Yesterday the minister stated that he had found the board at all times ready to administer the act in the interests of the producer. That statement is amazing to me, particularly in view of sessional paper 141, which I have under my hand, and which gives a mass of evidence to the contrary. This sessional paper was compiled in the minister's own office.

Hundreds of resolutions have been passed by the farmers of western Canada asking that the administration of the grain act be transferred from the Department of Trade and Commerce to the Department of Agriculture. In effect, the farmers of western Canada are expressing a lack of confidence in the Minister of Trade and Commerce and, conversely, they are expressing confidence in the Minister of Agriculture (Mr. Motherwell). And I must admit, Sir, that I have a good deal of sympathy for that view. I really believe it would be a victory for the farmers of western Canada if such a transfer were made at the present time. I have a high personal regard for the Minister of Trade and Commerce, but I must confess that so far as I can see his department has failed, and failed utterly, properly to administer this act in the

interests of the producer. Therefore I say it would be a victory for the farmers of western Canada if the transfer asked for were made and responsibility for the administration of the act placed upon the present Minister of Agriculture.

Mr. MALCOLM: Mr. Speaker, I want to ask the hon. gentleman a question. He has made a charge—

Mr. CAMPBELL: I have only a few moments at my disposal.

Mr. MALCOLM: I think, Mr. Speaker will give the hon. gentleman extra time. He has stated that in his opinion the Department of Trade and Commerce has failed to administer the grain act. I want him to substantiate that charge with some evidence.

Mr. CAMPBELL: Mr. Speaker, it is unnecessary for me to go over again the facts that I placed before the house yesterday and the facts that were adduced by the hon. member for Bow River (Mr. Garland). Surely those facts prove that the grain act has not been properly administered.

Mr. MALCOLM: The hon. member for Bow River stated yesterday that his criticism was directed against the judgment of the Board of Grain Commissioners. He quoted a telegram addressed by me to the board, and he distinctly stated that he heartily agreed with the opinion therein expressed.

Mr. CAMPBELL: Mr. Speaker, I read the very same telegram yesterday afternoon. Surely the minister will admit that the Board of Grain Commissioners are a part of his department; therefore their failure properly to administer the grain act is a failure on the part of the department. He cannot possibly separate the responsibility of the Board of Grain Commissioners from the responsibility of his department.

Mr. MALCOLM: Mr. Speaker, if the hon. gentleman admits that the moment the question referred to was called to the attention of the minister, the minister wired the commission his opinion, which is satisfactory to the hon. member, how can he argue that my department failed in carrying out the act?

An hon. MEMBER: Order.

Mr. CAMPBELL: May I say, Mr. Speaker, that we do not want opinions; we want action from the minister. The Board of Grain Commissioners failed to act when the minister expressed his opinion—and by the way that opinion was not expressed until nearly eighteen months after the trouble began—and if that is all we are to expect from his department, I think I have proven my case.

The farmers are demanding, first of all, a change in administration. And that is fundamental; if we have a proper change in administration, then everything else will follow as a matter of course. Secondly, they are asking for a change in the ticket covered by order in council P.C. 807—the ticket that made all this trouble possible. We are asking that the ticket drafted by Chief Justice Turgeon for the very section of the act under which we are operating to-day be put in its place. Lastly, may I say once again that the farmers are asking for a fearless enforcement of the law in the interests of the producers.

Mr. THOMAS F. DONNELLY (Willow Bunch): Mr. Speaker, I do not at this time intend to delay the house with any long discourse on this motion. This is neither the place nor the time to discuss it. I do not believe that any such discussion would result in our reaching any conclusion as to what really should be done. In my opinion the place to discuss this matter is the agriculture committee. Therefore I associate myself with the chairman of the committee (Mr. Kay) in asking that the scope of inquiry of the committee be enlarged and that this whole subject be referred to it for investigation. Before that committee we can take evidence, we can hear from the men who are being accused, and we can decide what are the best measures to adopt in order to remedy the evil we are complaining of. I do not think that the order of reference asked for by the committee on agriculture is quite wide enough; it seems to me that we should also include the administration of the grain act itself as well as the question of mixing, storing and marketing of wheat.

I wish to associate myself with those members who have already spoken in regard to the claim that the west considers this a very serious question. I fully agree with them when they say that the prairies are on fire and that the western farmer is expecting some redress from the wrongs from which he is suffering at the present time. The whole problem is a serious one to western Canada; the western farmer's bread and butter, his livelihood, depends upon the proper solution of this problem. I say therefore that he is expecting some redress. At the same time I wish to correct a false impression which prevails not only in this house but in the press of the country, namely, that

the only evil in respect to which the western farmer is asking for redress is in connection with what is called the hybrid ticket. This is a slight wrong; it is an injury, but it is not so grave as is made out, it is not the great evil which the farmers are anxious to have removed. In my opinion it is but of minor importance compared to many other questions. I held meetings throughout my constituency last year, from one end of the district to the other, discussing the wheat question, and only at one of those meetings was the hybrid ticket introduced or spoken of. The press of the country seems, however, to be under the impression that the hybrid ticket is the only matter that calls for consideration. For instance, I read in this morning's Citizen an article in which the following appeared:

> The great denunciation, however, was over this hybrid grain ticket, by which it is claimed the farmer is double crossed and his wheat, destined to a pool elevator, gets to one of the private trade.

I say, however, that this matter is of comparatively slight importance. Let me show just how important it is. The other day in the committee we took up the matter of the Alberta pool. We were told that the pool had under its control only 50 per cent of the wheat of that province, while just 20 per cent of the wheat was handled through loading platforms and other public elevators, the other 30 per cent being handled by pool elevators. Now, not more than 10 per cent of that 20 per cent would go through private elevators under special bin tickets. I doubt whether more than 10 per cent would go through private elevators in that form; and of that quantity not more than half, that is to say, 5 per cent would come from farmers who are asking to be relieved from the hybrid ticket. So that when we analyze it we find that the complaint in regard to the hybrid ticket has reference to just 5 per cent of the people who are marketing wheat in Alberta. As I say, therefore, the question of the hybrid ticket is not of such great importance to the western farmer; it is not the only evil from which they are seeking relief. Personally I represent not only the pool but other farmers in my constituency outside the institution. I belong to the pool myself and have been made one of the victims of the hybrid ticket, and I do not believe in it. I am speaking not only for the men who are in the pool but also for those who are outside it, and I want to see justice done. But the point I wish to emphasize is that the western farmer is suffering from many evils other than that of the hybrid ticket. I agree with those who say that the act should be better administered. What is the use of having good laws if they are not administered properly? They serve no purpose in the world. But we do not pretend that the law embodied in the grain act is by any means perfect; far from it. I do not agree with the hon. member for Mackenzie (Mr. Campbell) when he says that we do not want any more legislation but that we want only the proper administration of the grain act. What we need is not only the efficient administration of the act but the amendment of the act itself.

Mr. CAMPBELL: I was referring to one specific thing and not to the whole grain act.

Mr. DONNELLY: Well, that is what you said, and I took it for granted you knew what you were saying. I cannot help that. I repeat, we do not want merely the proper administration of the grain act; we want to have the act itself amended in many forms.

Now, you may ask, what is the cause of all this trouble? Where did it originate? Well, Mr. Speaker, it is a long tale, and it puts me in mind of these lines from one of our noted English poets:

> A lamentation and an ancient tale of wrong
> From an ill used race of men who cleave the soil,
> Sow the seed and reap the harvest with enduring toil.

Yes, it is a long tale of wrong, and it began away back in 1912 when members of the opposition were in these seats. In the session of 1912 they passed an amendment to the grain act making a partial sample market possible at several of the inspection points. They instituted a partial grain sample market, with the result that immediately after that we found men interested in private elevators going to our inspection points, looking over samples, taking out the tops of each lot of grain, having them diverted to their own mills and mixing elevators, and mixing them there. And this grew from bad to worse until at the present time we find all our mills throughout the country diverting wheat at Moose Jaw, Saskatoon, Winnipeg, Fort William, Kenora, Vancouver and throughout the country. These people break the seals, look at the grain, and if it is satisfactory to them they take it, sending it on if it is not suitable. In other words, the cream of our wheat is taken. But it is taken not only by our own mills and mixing elevators at the head of the lakes, but even American millers are coming over and picking out millions of bushels of the best wheat and shipping it across the line, where it is mixed with their product, milled and the flour sent out to compete with our own flour. This is

one of the evils from which the farmers are asking to be relieved. I said the trouble originated away back in 1912. But the evil, which has increased to such an extent, was actually legalized in 1925. At that time the house passed legislation making legal the practice of mixing.

That illicit practice of mixing went on from bad to worse, from year to year until last year we saw in this house reports brought in from England indicating that our standards had degenerated and were not as good as they used to be. Complaints came from all parts of the country. The Prime Minister himself received a letter from the corn exchange in Liverpool complaining of our standards, and the question was asked everywhere: What is the matter with your wheat? What is wrong with it? It is not as good as it used to be. Is it any wonder the farmers in the west became alarmed and were up in arms? They said, "Here is the one product which has built up western Canada. Here is the one thing which has made western Canada what it is, the one thing on which the whole Dominion depends. Yet we find these men degrading our wheat, spoiling it, making money out of it while we are doing the work." Yes, Mr. Speaker, the farmers said, "The ox that treads the corn is still muzzled, and the grain trade is bound to keep him there." That is the cry throughout the west to-day. Last year someone or other—I do not know who it was; I do not know whether it was the inspectors or the grain commission, though evidently it must have been the grain inspectors, with the consent and knowledge of the grain commission—said, "We will have different standards; our standards at present are not good enough." And so they raised the standards of their own accord; this they did last fall. Let them deny it if they will. Yesterday I was sitting in the committee and I saw standard samples from 1924, 1925, 1926 and 1927 brought right up to date. We looked over those samples and any man could see that the standard this year was at least one grade higher than that which prevailed before. Mr. Newman who gave evidence, testified that the standards were one grade higher than they were last year. Someone did it, and what was the result? When the farmer began to send his wheat to Fort William or when the man back in the country sold his wheat to the country elevators, he found a big change. I saw hundreds of these elevator men throughout the country last year, and they told me they bought the wheat under the old standards but when they sent down the first two or three carloads they were told that the grades were not holding up. Wheat which they bought as No. 1 was graded No. 2 and No. 3; wheat they had graded as No. 3 was graded No. 4 and No. 5 and so on, and they were told they would have to grade harder. They were told to throw away their old standards and to grade harder, because the standards were changed. No wonder Doctor Birchard, when he examined the samples, when he ground and tested them by the milling and baking tests, said that the standards this year were better than ever before. He said he could get better flour and more flour out of No. 2 and No. 3 wheat than ever before. No wonder he could, because this year when he was grinding No. 3 wheat he was grinding what was No. 2 wheat last year; when he was testing No. 4 wheat this year it was equal to No. 3 wheat last year, and so on. That is the reason he found the flour so much better and why the baking and milling tests were so much more satisfactory.

Then what happened? When the wheat reached the old country it took the buyers there until the middle of November to realize that the wheat they were getting this year was better than it ever had been, and they were willing to pay a higher price. They tested the wheat and when they found it was so much better this year they paid a better price and the spread between the grades closed up. In the meantime, however, half the wheat had passed out of the hands of the farmers into the hands of the grain trade, and the trade made the extra money. I do not know how many millions of dollars the farmers lost; no one will ever know. No doubt it will run into tens of millions of dollars just through that simple act of raising the standards. And who raised them? The standards must have been raised by the inspectors.

Then we are told that when the Grain Standards Board met on October 9, to look over the grain, they lowered the standards; they decided the standards were too high and lowered them by half a grade. I had the experience personally of having wheat graded after October 9, and I got a better grade than I had been given in September; all the farmers experienced the same thing. So I contend that the grain commission should have known of this condition; if they did not know of it they should have found out.

Mr. MALCOLM: Will my hon. friend permit a question? I hope he will explain to the house that the standards are set by the standards board and not by the grain commission and that 50 per cent of the representation is from the producers.

Mr. DONNELLY: I am saying that the standards board lowered the grades on October 9.

Mr. MALCOLM: The grades were too high.

Mr. DONNELLY: Yes, someone raised them before that time.

Mr. BENNETT: Does the hon. gentleman know who set the first standards?

Mr. DONNELLY: They are supposed to be set on the standards of the year before, which continue until the standards board meets. For some reason, however, in the early part of the year someone raised the standards, and when the board met on October 9 they lowered the standards by half a grade. Still the grades were higher than last year, indicating an irregularity of some kind in connection with the setting of the grade standards.

Mr. FANSHER (Last Mountain): Who was responsible for that?

Mr. DONNELLY: It should be under the grain commission; they are responsible, of course. The raising of the standards in this way was one of the chief causes of the unrest in western Canada, but there is still another reason why the prairies are alarmed. To-day the farmers are better educated than ever before with regard to the marketing of wheat. They are learning about these things; they have found that they not only have to grow the wheat but they must learn how to market it. The directors of the pool travelled all over the country, holding meetings and discussing with the farmers their difficulties and needs, and the farmers are beginning to learn some of the evils of which they have been victims. Last year the agriculture committee of this house summoned several witnesses, from whom we obtained a good deal of very useful information. After the session was over we had thousands of copies of that evidence printed; we went west, held meetings throughout the province and scattered these reports everywhere. The farmers read the evidence, and when they found out what was going on in connection with the marketing of their wheat they became alarmed, and that also has had a good deal to do with the present condition of affairs. Those are the two chief causes of the present feeling in the west.

Then what are the farmers demanding now? There are minor issues here and there, of course, but there are three main demands which they make: First of all they demand that the mixing of grain in private terminals be discontinued at once, or in other words that all private terminals be done away with and that all terminals at the head of the lakes be made public terminals. They demand that our straight grades, from No. 1 to No. 6, be stored in separate bins, that we have officers who will go into these terminal elevators and enforce the law against mixing and that a fine be provided commensurate with the crime, a fine of $2,000, $5,000 or $10,000, if necessary, in order to enforce the law. They demand that there be no mixing at the seaboard, transfer elevator or on the way to market overseas, that any mixing be done when the grain is in the hands of the consumer, either the old country buyer or the old country miller, that the mixing be not done in this country at all and that the wheat as sold by the farmer should reach the consumer without being mixed in any way That is their chief demand.

Someone may ask what of the off grades, the grades mixed with seeds, which have to be cleaned. We would say that those grades should be stored in public elevators also; let them be cleaned under proper supervision; let the seeds be taken out and sold and let that grain be put in the public elevators. All other grains such as wet grain, damp grain, smutty grain and so on, should be cleaned and sold as such out of hospital elevators and should not be sent to the markets of the world as straight grades.

Mr. GARLAND (Bow River): Does the hon. gentleman recognize any problem at all with regard to the mixing of grain in country houses?

Mr. DONNELLY: We recognize that such mixing is almost impossible to control, as it is impossible to control mixing by the farmer, but we demand that once the grain is inspected and passed on to the terminals it should not be mixed at all.

Another thing the farmers of the west demand is the proper administration of the Canada Grain Act; they realize that at present this act is not being properly administered under the grain commisison. The commission say it is impossible for them to enforce the act. Our grain trade has increased by leaps and bounds during the last few years; the area devoted to the growing of wheat has multiplied five, six or seven times. A few years ago we shipped our wheat only from Fort William and Port Arthur; to-day we are shipping out of Vancouver and Prince Rupert and soon we will be shipping through Hudson bay. We say that under these conditions a small commission of three

men located at Fort William is not capable of looking after this great business and of administering the grain act as it should be administered. We believe the whole grain commission should be renovated; it should have more assistants, more clerks, and the number of commissioners should be increased. It should be scattered all over the prairies so that it could look into the numerous diculties which the farmers have to contend with and be able to adjust them in a proper manner. That is their second demand. They have a third demand, and it is this: that the diverting of wheat which goes on at the present time from Winnipeg, Moose Jaw, Saskatoon, Calgary, Edmonton and Vancouver be stopped.

Mr. BENNETT: Will the hon. member amplify that? There are many members from the east who have no knowledge of these matters, and it would assist them if the hon. member could give a little further information in that regard.

An hon. MEMBER: Your policies are wrong in the east.

Mr. BENNETT: It is the government that is wrong.

Mr. DONNELLY: I will explain what I mean by this diverting of wheat and the skimming of the cream off the different grades. First let me explain just how the different standards are set. Specimens are drawn and they are set as the standards for the different grades. Everything that goes into No. 1 grade must be as good as or better than the standard sample. Let me put it this way: Suppose 90 is the standard for No. 1; anything that goes into No. 1 must range between 90 and 100.

Mr. HAY: Are those standards set by the board, or designated by parliament?

Mr. DONNELLY: The statutory grades 1, 2 and 3 are set by law. The samples of wheat which are drawn to represent those grades are taken by a body of inspectors. Grades 4, 5, 6 and feed, which are not statutory grades, are set by the Grain Standards Board, a body of men who are chosen every year, I think. They meet in the fall of the year and draw the standards for those several grades.

Mr. BENNETT: The producers are represented on that board?

Mr. DONNELLY: That board is made up of representatives of the producers, the millers and the grain trade. These men meet about the first of October in Winnipeg and set the standards.

[Mr. Malcolm.]

I will explain further what I mean with regard to this diverting of wheat. Of necessity, some of the wheat in No. 1 grade will be right down on the line at 90, and will range up to 100. When the wheat comes into Winnipeg, or into the Grain Exchange building to be inspected, it first goes into the room where the inspectors are. The grade is fixed on the sample and it is then put in an adjoining room where it is available to everyone. Suppose we have a sample which runs as high as 100. A representative of some milling firm from across the line comes in and sees that sample classed as No. 1. He realizes that it is right at the top of the grade, and he says, "Send that to my mixing elevator," and the car of wheat is sent to the elevator to be mixed, or possibly sent to some mill to be milled. The result is that they have bought the cream and there is nothing left but the wheat which is just on the line. Then again, you may have a wheat so near the border line that the inspectors are unable to decide whether it should be graded No. 1 or No. 2. It is put in No. 2 and when the expert comes along he sees that it should probably be No. 1, and he buys the car to be sent to the elevator to be mixed with other grades of wheat.

Mr. ADSHEAD: He buys it as No. 2?

Mr. DONNELLY: He pays the price for No. 2, but he is getting practically No. 1 wheat. Not only do they do that, but during the past season, as has been brought out before the royal grain commission sitting in Saskatchewan at the present time, they have gone through the railroad yards accompanied by inspectors and have broken the seals on cars and picked out the best grain. This procedure has taken place at Kenora, Calgary, Saskatoon and all over the country.

Mr. HEAPS: What authority have they to go in and take the cars out of the yards?

Mr. DONNELLY: You will have to ask the grain commissioners. They are the ones who say what shall and what shall not be done.

Mr. GARLAND (Bow River): Have they any authority?

Mr. DONNELLY: No.

Mr. IRVINE: Was that done under any authority?

Mr. DONNELLY: Apparently not.

Mr. WOODSWORTH: Who actually affixes the seals?

Mr. DONNELLY: The railway companies.

Mr. ADSHEAD: If the railway companies put them on, has anyone the right to take them off before the car reaches its destination?

Mr. DONNELLY: Only with the consent of the railway company.

Mr. VALLANCE: The inspection department.

Mr. DONNELLY: The inspection department have the consent of the railway companies to break the seals to inspect the grain.

These are questions which can be brought out only in the committee, and that is why I think the whole thing should be sent to the committee to be dealt with there. These are questions which interest the farmers, not only in western Canada, but over the whole of the Dominion, and I think the matter should be sent to the agriculture committee to be looked into with the view of enacting remedial legislation.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, I do not believe I should find it necessary to make any apology for continuing this debate. I consider this matter to be one of major importance, in fact, I am not so sure but that it transcends in importance even the debate upon the budget. Therefore, not having any intention of taking part in the budget debate, I feel quite clear in my conscience when I take some part in this debate.

I say this matter transcends in importance the budget debate, more particularly for financial reasons. When the Minister of Finance (Mr. Robb) brought down this budget and announced that he was saving the tax-payers of Canada approximately $25,000,000, because of certain reductions in taxation, that fact was received with approval throughout the length and breadth of Canada. Twenty-five million dollars is a large sum of money; it is more than most of us have ever seen or are likely to see. But I want to make this statement: Because of the unscientific grading of our 1928 wheat crop and the ineffectual administration of the Canada Grain Act in relation thereto, the farmers of western Canada have been deprived of an amount seven times as large. I see the Minister of Trade and Commerce (Mr. Malcolm) draws a big sigh.

Mr. MALCOLM: One hundred and seventy-five million?

Mr. CARMICHAEL: I hope this will get under his skin sufficiently to cause not only a little perturbation of feeling, but some action, for that is what we are looking for in western Canada. He may be inclined to question the statement I am going to make, but I intend to prove it with figures.

The wheat crop of the prairie provinces for the year 1928 amounted to 511,444,000 bushels in round figures. Let us take the average price received for the four years during which the wheat pool operated in western Canada, namely 1924, 1925, 1926 and 1927. I do not intend to take the maximum price, but only the average price as given in the January, 1929, monthly Bulletin of Agriculture Statistics. The average price received during the year 1924 was $1.21 per bushel.

Mr. McLEAN (Melfort): What was the yield for that year?

Mr. CARMICHAEL: I will come to that later. The average price for the year 1925 was $1.25 per bushel; and for the year 1926, $1.08. During 1927 there was considerable wet, damp and tough grain. The weather conditions were very adverse in our province during that year, and the average price received was only 97 cents per bushel. We will not take any one year, but we will add the four of them together and take the average of the average prices of the four years. The total is $4.51, and dividing that by four we get an average price of $1.12¾ for the four years during which the pool operated. The same publication tells us that the average price of the 1928 crop was 77 cents a bushel.

Mr. McLEAN (Melfort): How does the hon. member know?

Mr. CARMICHAEL: My hon. friend will have to ask the Department of Trade and Commerce.

Mr. McLEAN (Melfort): Who is the author?

Mr. CARMICHAEL: I shall have to refer my hon. friend to a department of the government for the authority. It is printed by F. A. Acland for the Department of Trade and Commerce.

The average price over the four-year period was $1.12¾ and in 1928 the price was 77 cents. The difference, which is 35¾ cents per bushel, represents the loss on the 1928 crop. If you take that on the total crop of 511,444,000 bushels, you have a figure amounting to more than $175,000,000.

Mr. MALCOLM: Does my hon. friend attribute the loss in price on last year's crop to the administration of the act, or does he give any credit to the frost of the season and a lower grading on account of the frost?

Mr. CARMICHAEL: If the minister had caught my remark, I attributed the loss to two things: first, the unscientific grading of

our wheat, and, second, the ineffectual administration of the Canada Grain Act. Those two factors are responsible for the loss of $175,000,000 to the farmers of the three prairie provinces. That is seven times the amount that we will realize from the so-called, much approved Robb budget of this year.

Mr. MALCOLM: Does my hon. friend argue that we could devise a method of grading—the hon. member for Qu'Appelle (Mr. Millar) spoke of protein content— that would give an additional $175,000,000 to the farmer for a frost-affected crop?

Mr. CARMICHAEL: According to the evidence produced before the agriculture committee I am quite satisfied that a method can be devised whereby the value of the wheat will go to the producer thereof, rather than to the milling interests or to the commission men, who are the middlemen in between the producer and the consumer. This is such a serious feature that I attribute a great deal of importance to it, much more so than possibly the hon. member for Willow Bunch (Mr. Donnelly) does. He tried to give the house the impression that the matter was of rather minor importance. It is of a great deal of importance and it is the chief cause of unrest in western Canada.

I should like to deal for a short time with the matter as it appears from the viewpoint of the farmer under perhaps three different headings: his lot and condition prior to the operation of the pool; his situation under the four years of pooling grain, and his situation during the 1928 crop season. I will deal more particularly with my province of Saskatchewan—the pool operated in Alberta in 1923, but the quantity of grain handled was so small that it did not have any appreciable effect on world prices. In 1924 we had really the inauguration of wheat-pool marketing on a large scale. Let us take the year 1923 and consider the lot of the individual farmer during that year. According to this publication the statistics were as follows:

Total world production, 3,818,000,000 bushels.
Western Canadian crop, 454,000,000 bushels.
Price realized—
Manitoba, 67 cents per bushel.
Saskatchewan, 65 cents per bushel.
Alberta, 65 cents per bushel.

When the individual farmer came to reckon up his accounts in the fall of the year, and pay for the expense of handling the crop, the cutting, twine, threshing, hauling, different interest accounts and store accounts, he found that he was behind. He found that it cost him more to handle his crop than he realized from it, and in my particular section of Saskatchewan there was a great deal of unrest among the farmers. It was freely stated there that it cost in the neighbourhood of $1 a bushel to market that crop. I am not going to take that because it might be considered an extreme figure. An hon. member in this corner of the house told me that he kept close track and he found that it cost him 93 cents a bushel to handle that crop. Supposing we take the figure of 90 cents a bushel, which is well within the mark, and the farmer realized 65 cents; that is, he lost 25 cents on every bushel he produced. If he produced 2,000 bushels of grain that year he lost $500. If he produced 3,000 bushels, he lost $750. If he produced 5,000 bushels, he lost $1,250. The more bushels he produced, the more he lost. Is there then, any reason for wondering that the farmer was very much discouraged? The morale of the farmer at that particular time was exceedingly low. In fact, many of them who were able to get out of the farming business did so. But those who had the desire to stick there were instrumental in bringing about the formation of the wheat pool which began operations the next year, 1924. Let us glance at the operation of the wheat pool during those four years. In 1924 the total world production was somewhat less than in 1923, less by 349,000,000 bushels and the western Canadian crop was less by more than 200,000,000 bushels. Some would be prepared to say that that accounts for the enhanced price. We will let them say so. These are the prices during the crop year of 1924:

	Per bushel
Manitoba	$1 24
Saskatchewan	1 21
Alberta	1 20

That is quite an advance over the prices of the previous year. Let me give the figures for the next year, 1925:

	Bushels
Total world production	4,030,000,000
Western Canadian crop	372,000,000

That is, the total world production was considerably more than that of 1924 and also more than that of 1923, and the western Canadian crop in 1925 was considerably more than that of 1924. But how do we find the prices?

	Per bushel
Manitoba	$1 22
Saskatchewan	1 25

That is four cents over the price of 1924.

Alberta	$1 19

Let us take the next year, 1926:

	Bushels
Total world production	4,178,000,000
Western Canadian crop	385,000,000

Both greater than that of the preceding year. Yet when we look at the prices, they are as follows:

Manitoba	$1 09
Saskatchewan	1 08
Alberta	1 05

It will be noticed that the price is still keeping up even though the world production is increasing each year. The figures for 1927 are as follows:

	Bushels
Total world production	4,204,000,000
Western Canadian crop	457,000,000

Both greater again. That was the year of adverse weather conditions, and yet the prices were as follows:

	Per bushel
Manitoba	$1 06
Saskatchewan	97
Alberta	98

We can see that during those four years the farmer was receiving considerably more for his labour than he did during the year 1923. As a result, his morale improved considerably, and his financial standing in the community was enhanced to no little extent. This was all brought about by the orderly marketing of his crop through the wheat pool, and by the elimination of the middle man. I would like to point out that the enhanced prices given to the farmer were partly brought about by the pool method of marketing, and with all due respect to what my hon. friend from Willow Bunch has said about mixing, considerable profit did accrue to the pool members through the mixing of grain at the head of the lakes.

Here is another point that we who are interested in this matter should notice. There are approximately 5,000 country elevators scattered over the three prairie provinces. Approximately 1,000 of these are owned and controlled by the three western wheat pools, leaving 4,000 owned and controlled by the grain trade. In the province of Saskatchewan the wheat pool handles about 60 per cent of the wheat. There you have a rather peculiar situation. The pool handles about 60 per cent of our Saskatchewan wheat, and yet we have only 20 per cent of the elevators through which to handle it. They handle the larger part of the Saskatchewan crop through a small number of elevators at country points. Knowing the importance of having the wheat go through their own terminal elevators, every effort is made to get every pool member to ship his grain through his own pool elevator to his own pool terminal. I do not think I need amplify that point.

Hon. members know that at the head of the lakes the mixing privilege prevails. Considerable mention has been made of mixing. I need only to refer to what is called the Price, Waterhouse report of 1918 to give you some idea of the large profits that are made by the terminal elevators at the head of the lakes. In opposition to what one hon. member said as to the unimportance of this point, I would like to emphasize its importance, and that is that pool wheat, in the opinion of pool members, should go through pool country elevators and go to pool terminals.

There is another advantage to be gained. In the 1927 crop year, we were paid 1½ cents a bushel for every bushel we shipped through the pool elevator. If a man shipped 10,000 bushels of wheat through a pool elevator, he would get a cheque for $150, which is a nice little sum to get from the profits of these elevators. That makes the farmers naturally want to have their wheat go through their own elevators, but here is the unfortunate situation. There are not sufficient elevators to handle all the wheat which the pool members wish to market. In my own town last year the pool elevator was plugged to the roof practically all through the shipping season. Millions of bushels of pool grain must go through other elevators to get to the head of the lakes if it is to get there at all during the crop year. That brought about a situation where the pool had to make an agreement with the grain trade, and they did enter into an agreement whereby pool wheat would be handled by their country elevators, but on the strength of the 1927 amendment to the Canada Grain Act such wheat could be sent to pool terminals if the grower of the grain so desired. That is where the whole trouble comes in. That is where we have our quarrel with the administration of the Canada Grain Act. I am not particular whether the Minister of Trade and Commerce gets into the quarrel and takes the responsibility or not. The responsibility rests upon the Board of Grain Commissioners, and the board being a part of the department, I do not see how the minister can very well entirely evade all responsibility. I have covered the four year period. Let us now look at the individual farmer during the 1928 crop year.

In the year 1928 also we had a large world production of wheat. I have not the complete returns, but the figure I have is that the world production, excluding Russia and China, was 3,780,000,000 bushels. If the totals from Russia and China are included, the world's production would probably be greater than in 1927. Our western Canadian production was over 513,000,000 bushels, but our price in Manitoba was 92 cents, in Saskatche-

wan 77 cents, and in Alberta, 75 cents. Let us see what that means. The 1928 Saskatchewan price was 44 cents per bushel less than the 1924 price, 48 cents a bushel less than the 1925 price, 31 cents a bushel less than the 1926 price, and 20 cents a bushel less than the 1927 price, when we had a great deal of inferior grain which had to be reconditioned and put through the drying elevators. That represents a tremendous loss to the agriculturists. I pointed out earlier in my remarks that it represents an average loss to the farmer of 35¾ cents a bushel on the movement of the 1928 crop. Bringing it down to the individual farmer, I have figured it out on a basis of 90,000 pool farmers, with an average production of a little over 2,000 bushels, and taking this loss of 35¾ cents a bushel means a loss to each pool member, and by the way, that is the farmer I am particularly interested in in this connection, of over $700 for the 1928 crop year. Now if we apportion the $25,000,000 saving as outlined in the Robb budget among the 90,000 pool farmers, do you know, Mr. Speaker, what it would amount to? It would amount to just a little over $13 a year to each one of these pool farmers who had stood a loss of over $700 in the movement of the 1928 crop. How long a time, then, and how many more of the so-called beneficial Robb budgets would we have to have for the pool farmer to make up his loss in one year? It would take just about fifty-five years, and that is a little too long for most of us to wait.

The hybrid ticket has been mentioned, and it is not necessary for me to dwell on that. The intention of the 1927 amendment to the Canada Grain Act was to give the producer of grain the right to designate to what terminal elevator his grain should go. The grain trade seemingly has been able to circumvent that intention. Thus far they have been enabled to do so by means of the agreement which they were able to force—I might almost use that expression—from the pool officials. I use the expression "able to force" from them, because the agreement was not consummated until just before the movement of the 1927 crop began. Here were the farmers throughout the country with grain to move and no agreement consummated between the pool and the trade. The trade was able to say: Here is what we will give you; take it or leave it. In that way they forced the agreement on the pool authorities, and after getting them in that corner the trade tried to make it a six-year agreement. It was finally adjusted on a three-year basis, which means that the agreement operated for 1927 and 1928, and will operate for 1929, when it terminates. I presume that if during that time the trade realize as much out of our grain as they did in the 1928 crop year, they will be able to lie low for a while thereafter. I hope, though, before the movement of the 1929 crop we will have some action.

The Board of Grain Commissioners are coming in for a share of criticism to which they are certainly entitled. They are a body of men well paid, and apparently well qualified to administer the Canada Grain Act. And yet they have failed to administer it properly. Resolutions have been passed by at least two of our farm bodies in the west. I have before me such a resolution passed by the Saskatchewan section of the United Farmers of Canada assembled in annual convention last month. The resolution reads:

> Whereas the present board has demonstrated its inability to supervise in any manner the operations of country elevators, and for all practical purposes has ceased to fulfil the purpose for which it was originally appointed;
>
> And whereas the producers of grain have lost confidence in the present board;—

Omitting part of the resolution I direct the attention of the house to the following words:

> Be it resolved that this convention demands the removal of the present Board of Grain Commissioners.

That, Mr. Speaker, is the almost unanimous opinion of the farmers of western Canada today; they are demanding the removal of the Board of Grain Commissioners. They are not charging them with dishonesty; neither has any member of this house, so far as I know; they are simply charging them with failure to carry out what they were appointed to carry out. In a word, the commissioners have failed to administer the Canada Grain Act properly. The public of western Canada has lost confidence in the board, and no matter what amendments might be proposed to the act, no matter how far in the agriculture committee we might investigate the board, it is my opinion that we cannot bolster up that public opinion any longer to tolerate the administration of the act by the present board. The demand is insistent that a change be made in the personnel. If the Minister of Trade and Commerce wishes to be fair to public opinion in the west and to what, I believe, he knows to be fair himself, I think he will agree with me that it is time that the wishes of the agriculturists of the prairie provinces should be considered and the required change made.

The motion before the house is, of course, that this report be concurred in. The report calls for enlarged powers in order that the committee may consider and report on the subject of storage, shipping, mixing, inspection and grading of grain. They are all very good, they all should be considered. But from that report has been left out the most essential part so far as the farmers of western Canada are concerned; there is no mention of the committee taking into consideration the administration of the Canada Grain Act. I am of opinion, Mr. Speaker, that this omission should be made good, that the committee should investigate the administration of the Canada Grain Act. But I am not prepared to admit that the action which we are looking for by the Department of Trade and Commerce should be deferred until such investigation is made. No matter how much investigating may be carried on, no matter how dense a smoke screen may be thrown around the activities of the Board of Grain Commissioners in the course of the investigation by the committee on agriculture, I am of opinion that this investigation would not restore public confidence in the present members of the Board of Grain Commissioners.

Mr. ADSHEAD: Does the hon. member think a smoke screen will be thrown around the investigation before the agriculture committee?

Mr. CARMICHAEL: My experience has been that more smoke than screen is thrown around whatever we undertake to investigate. Such a dense cloud of smoke is thrown around the real issue that it becomes more or less obscured as the investigation proceeds.

Mr. ADSHEAD: Does not the hon. member think that some good suggestions may be made?

Mr. CARMICHAEL: Yes, I think possibly some good suggestions may be evolved through such an investigation. But the best suggestion made in the course of this debate, and it has been emphasized over and over again, is that the board should be quietly but very definitely relieved of the position which it now holds, and another board, possibly of five members, put in its place.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I regard the Canada Grain Act as a unique piece of legislation. Nothing akin to it is to be found on the statute books of any other country, so far as I know. It has been evolved gradually out of a desire on the part of succeeding parliaments, without regard to which party was in power, to surround the marketing of the major raw product of this country with such safeguards as will ensure fair treatment of the producer by those engaged in the business connected with his product or in the transportation of it.

Legislation of this character is invariably difficult to administer, for the reason that in a measure it deprives men of the right to make the usual contractual relations with each other in connection with the ordinary buying and selling of commodities. I think it is correct to say that since there was first the Manitoba Grain Act—as it was originally called—down until to-day succeeding governments of whatever party have adopted the position of trying to find out so far as possible what the people of the three provinces particularly concerned thought should be done with respect to this act or to any amendment of it as the case might be. I think too that it may well be said that every government has shown a willingness to respond to the united judgment of the representatives of those three provinces with respect to the development of the act from time to time.

The act does show historically a development resulting from careful thought and careful study by the farmers themselves who are primarily affected, and by their representatives in this house, to whatever party they might belong. Furthermore, the act bears upon its face an historical record of the effect of investigations by, not one but by at least five royal commissions appointed either by federal authority or by the authority of one of the provinces primarily concerned. I had the privilege of serving as a member of one of those royal commissions some years ago. It was also my duty as an agent for my fellow-farmers to handle a great deal of grain during a considerable period of years, and I do deprecate in the very strongest terms the use of extreme statements and arguments which overshoot the mark, in attempting to secure redress in connection with a matter of this kind. Particularly do I deprecate the use of figures such as those advanced by the hon. member for Kindersley (Mr. Carmichael) a few moments ago, when he stated in the plainest of terms, on the basis of some hypothetical calculation which he made, that, given a proper grading system, it would have been possible for the farmers of western Canada to have received $175,000,000 more for the 1928 crop than they did receive.

Mr. CARMICHAEL: I did not put it that way.

Mr. DUNNING: My hon. friend in answering a question made it clear that it was his intention to convey that impression. However, if he wishes to correct it I am quite prepared to let him do so.

Mr. CARMICHAEL: I took the average price of the four year average and showed what the total amount would be from the 1928 crop, deducting the price of the 1928 crop from that average.

Mr. DUNNING: Yes; but my hon. friend said in reply to a question that in his opinion the difference was due to two things and two things only—unscientific grading and faulty administration of the grain act. Let me say to him that I have a great deal more faith in the western Canada pools than to believe that they would permit for a moment to exist a situation which if removed would allow them to get $175,000,000 more for the farmers of the west.

Mr. CARMICHAEL: That is why we are doing so much talking.

Mr. DUNNING: My hon. friend is not speaking for the pools any more than I am, and I am satisfied of this: Having sold personally, or under my personal direction, more grain for the western farmers than any organization outside the pool, I want to assure the hon. gentleman that if there is any means of getting any such sum for the farmers of the west it is quite within the power of the wheat pool, and within the power of any other large organization controlling such a volume of grain, to get that sum in spite of any grading system. And the pool officers would be the first to confirm this statement. Why? If it is possible to get any such spread as that it is not only within the power of the pool to get it, but I am sure they would do so in a moment. They can ship that grain over, in spite of any grading system, and dispose of it in sample cargoes, without obtaining a certificate from the Board of Grain Commissioners. Normally it does not pay to do so—and why? Because there is in fact no such wastage as that depicted by my hon. friend. That there is wastage and loss no one denies; I would be the last to deny it. In connection with varying types of damage to which the western crops are subject from time to time; with the necessary variation in standard samples from year to year; with slips in administration; with the ever present desire of the grain trade to make as much as they can: with all these things to contend with, undoubtedly there are, and always have been from the very inception of the grain act, losses to farmers individually. But to take an average set of conditions over four years, disregarding, as my hon friend did, average world prices for the same four years, and merely to rest a case on the argument that we should have as much this year as our average of last year—

Mr. BENNETT: No, no; he did not say that.

Mr. DUNNING: I will correct that—that we should have at least as much this year as the average of the past four years—

Mr. CARMICHAEL: I do not want the minister to represent me as saying something which I did not say. I repeat, I did not make any such statement.

Mr. BENNETT: He said, the average of the average.

Mr. DUNNING: Very well, the average of the average. I presume my hon. friend will take the leader of the opposition's word for it, that what he said was that we should have as much as the average of the average for the past four years; that is to say, the average of the average of our receipts for the past four years. But the hon. gentleman disregards entirely the average world prices for those years. May I point out, however, that when we come to deal with figures in that way, taking an average of an average over a period of four years, no farmer has yet lived on an average. The fellow who has No. 6 wheat this year cannot be comforted by the reflection that the average of the average of the last four years was No. 4, with therefore a higher price and a higher intrinsic value. He does not live on the averages he gets; he gets what he can out of the wheat which he has just then, and the average of what went before does not do him very much good.

I do not want to spend a great deal of time on this question except to say this. While I agree with my hon. friend that losses do exist, to build up any such fantastic total as $175,000,000 of a loss to western farmers on this year's crop is tremendously to overstate what could possibly be accurate, and it is not doing justice to the intelligence of the farmers of western Canada or of the management of the pool, who of course could easily avoid such a stupendous loss if there were any danger of its being incurred.

Mr. EVANS: May I ask a question?

Mr. DUNNING: I have only forty minutes.

Mr. EVANS: Did I understand the minister to say that the pool could ship its own wheat through all the transfers and terminals and maintain its identity to the European market?

Mr. DUNNING: Undoubtedly.

Mr. EVANS: How can they do it?

Mr. DUNNING: Only one year ago the head of the pool came to me as Minister of Railways, responsible for the operation of the Port Colborne elevator, which handles more grain than any other elevator in Canada, and asked whether special arrangements could be made for transfer at that point from the larger vessels travelling on the upper lakes to the smaller boats going through the St. Lawrence, and I said that I should be delighted to make special bin arrangements so that the shippers might be sure of the identity of their own grain during transit—so far as that particular elevator was concerned at any rate—on the one condition that they used the full bin space allotted them, and did not merely keep a few thousand bushels at the bottom of the bin, monopolizing the whole space of the bin. That has not yet been made use of. But there is no doubt at all that the wheat pool to-day can ship its own grain from the prairies, through its own terminal at Vancouver, loading into boats chartered by itself and delivering in Europe, exactly as it pleases. That is the situation, and I do not wish to be betrayed into appearing to criticize the pool management. What I am saying is that if there were any such loss as that represented by the hon. member for Kindersley then the wheat pool undoubtedly would be at fault in selling the crop for $175,000,000 less than it was really worth; because I am sure of the ability of the men managing the pools to handle the situation with sufficient care to see that no such tremendous loss would occur.

Mr. CARMICHAEL: The pool does not handle all the crop.

Mr. DUNNING: Well, take half of it; let us say the loss to the pool members was $90,000,000, taking my hon. friend on his own ground. I repeat, I have more faith in the management of the western pools than to believe that.

With regard to the grain act, I am of the opinion, as the minister stated at the outset, that these matters could be more effectively discussed in committee. I have spent twenty-six or twenty-seven years in the west and I do not remember a year in which the grain act and the marketing of grain has not been under discussion by the organized farmers of the west. It was my privilege as one of them to come to Ottawa from time to time and to go to other places as well to recommend specific changes to deal with specific matters which in our judgment would improve the marketing of grain. And the act has been built up gradually just in that manner. That it is perfect no one will contend for a moment. Indeed, one of the reasons why the Canada Grain Act is not perfect to-day is the fact that the farmers of western Canada have not always been agreed to what constituted perfection in connection with some important parts of that legislation. I know that my own views are not necessarily the views of the farmers of the west; I never arrogate to myself the privilege of speaking for all the farmers. Many of these matters have been matters of dispute—friendly dispute, it is true—over a period of years within the farmers' organizations themselves, as my hon. friend from Rosetown (Mr. Evans) knows. Let me say however that the description used here of the hybrid ticket is not a correct description as applied to the ticket under discussion, but is a correct description as applied to form B-1 in the existing grain act. Form B-1 was used for many years before it found a place in the grain act. And what is it? It is a true hybrid. And what is a true hybrid? It is neither one thing nor the other, but a part of both. Form B-1 is a graded storage ticket but subject to inspectors grade on dockage. It is not a special bin ticket. In big black type in the form of ticket in the act itself the words appear, "This is not a special bin ticket." I will not criticize my hon. friend from Bow River (Mr. Garland) and others for the view they have expressed in this regard, because the practice is general throughout the west and has been for many years. The grain trade had been representing that ticket for the last fifteen years as a special bin ticket. It is not. And why not? Because it involves no obligation upon the elevator company to preserve the identity of grain delivered; it only imposes upon the farmer the obligation of seeing that the identity of the sample of that grain is preserved. The special bin ticket on the other hand, form C, imposes upon the elevator company the obligation of maintaining that grain in its identity and of delivering at the terminal that identical grain. The graded storage ticket, which is not a hybrid, involves the obligation that the farmer shall deliver his grain, and the elevator company guarantees the grade and states plainly on the ticket what the grade is. The principle of the old grain act was that the elevator com-

pany must guarantee to the farmer one of two things. Either they must guarantee the grade of his grain to be delivered at the terminal or they must guarantee to preserve the identity of the grain delivered to them and deliver it to the terminal. That did not suit the grain trade of that day, so they instituted this cute thing which finally found its way into the Canada Grain Act, and we must remember that it found its way there with the consent of western farmers. The line elevators instituted this ticket, which relieved them of the responsibility of guaranteeing either the grade or the identity of the grain. They use first a graded storage ticket, but across its face was stamped "Subject to inspectors, grade and dockage"; the elevator company could do what they liked with the grain, but they were supposed to forward a sample to the chief inspector, paying the farmer later for, or delivering to him at the terminal, the grade set by the inspector on the sample. As a result of years of experience and as a result of repeated fights before the Board of Grain Commissioners in connection with the matter I have no hesitation in saying that not in 20 per cent of the cases where this hybrid ticket was used were samples ever sent to the chief inspector for grading. I make that statement, and the records of cases before the Board of Grain Commissioners will bear it out. As the hon. member for Rosetown well knows, I was in the unfortunate position of leading a minority fight against that ticket for a long period of years. I say I led a minority fight, because the great majority of the farmers in western Canada did appear to be deceived into the belief that this was a special bin ticket and that they were receiving the advantages of separate binning.

Mine was a losing fight, so much so that in 1925 that particular ticket was placed in the Canada Grain Act and to-day I may inform my hon. friend from Bow River that under this thing which is generally called a special bin ticket and which by law is not such a ticket, an elevator with only ten bins, as he put it, can and does receive grain from fifty farmers if necessary. That is how it is done, and that is the true hybrid ticket. In my personal opinion, which I do not hesitate to state to-day as I stated it years ago, the great mixing evil depreciating the quality of Canadian grain starts right there, because the great majority of western farmers who are using line elevator facilities are doing so under that B-1 ticket, which is a hybrid and which involves a guarantee neither of grade nor of identity by the elevator company but the forwarding of a sample to the chief inspector. I suggest to this committee if it sits, although I am not a member of it, that they find out how many samples have been forwarded this year to the chief inspector under ticket B-1, for determination as to grades. I venture to say they will find that the condition which existed a number of years ago exists to-day and that in practice samples are not forwarded in more than 20 per cent of the cases in which this ticket is used. However, I must say again that the system was started with the consent of the farmers; I must admit that whether I like it or not. Some of us protested strongly, but I must admit that until this year the farmers have appeared to be satisfied with that system. Although I am not a lawyer it is my opinion that the addition of the words mentioned by the hon. member for Bow River would constitute an illegal addition, but I am prepared to hear evidence on that point and I suppose lawyers will try to convince judges that this was a perfectly proper addition. However, it is only carrying one step further what was done over a long period of years with respect to this hybrid thing which is neither one thing nor the other.

Mr. GARLAND (Bow River): Just to make the record clear, I would like to ask my hon. friend if it is not true that ticket B-1 is not a special bin ticket and never was such; that it has stamped upon its face the words "This is not a special bin ticket." And is it not true that ticket C is a special bin ticket and that most of the discussion has been about that ticket?

Mr. DUNNING: Does my hon. friend say that most of the discussion has been about ticket C? I will venture this assertion, and I hope the committee will investigate its accuracy, that ticket C, the special bin ticket, is not issued by a line elevator in western Canada as a general practice at all; they issue ticket B-1, as they always have done, calling it a special bin ticket, and in spite of the words stamped on the face of the ticket the farmer is led to believe that he is getting a special bin.

Mr. BENNETT: Surely the hon. gentleman does not mean to say that the farmer is so lacking in intelligence as to be unable to read what is on the ticket.

Mr. DUNNING: As a result of long experience in dealing with these matters I state that as a matter of fact the farmer does not study the ticket he receives when he is getting his grain from a threshing machine. I have made that statement at scores of

farmers' meetings in past years, and it is a question of fact. The practice which I am now outlining, that of issuing this ticket and describing it as a special binning, has been carried on in western Canada for more than twenty years; I will leave it to any farmer here who has studied the question, and I will be content to leave it to the investigation of the committee.

Now I want to pass on to another important point, and here I wish it made plain that I am merely offering criticism of a system rather than an argument in answer to my hon. friend from Bow River; I am trying, from an experience covering a number of years, to place on record some things which may be worth investigation by this committee in the general interests of the farmers of western Canada. I refer to the mixing evil, and here again my position has been rather that of a lone wolf. I believe to-day, as I believed twenty years ago, during the period when I had some familiarity with this matter, that the practice of permitting the mixing of the various grades of grain in terminal elevators or in private elevators operated to the detriment of the producers of grain in Canada. To-day I believe that just as strongly as I ever believed it; if hon. members who are familiar with western farmers' organizations will let their minds go back a few years they will remember, in connection with the losing fight on this very question, when the farmers were offered the glittering bauble of a sample market if only they would permit unlimited mixing, and the majority of the farmers agreed to that proposal. At that time I made a statement; sometimes I am mistaken but in this case I was right, when I said, that if unlimited mixing were permitted there would not be one public terminal at the head of the lakes within five years from that time with the exception of a government elevator. Has that statement been borne out? To-day there is not one public terminal at the head of the lakes with the exception of the government elevator operated by the Board of Grain Commissioners, and which receives just the rag-tag and bob-tail which none of the private houses will take. That is the position, and it has been brought about because the majority of the farmers in western Canada, no matter what their shade of politics—and I am not discussing this on a political but on an economic basis—consented to it. Mixing was legalized then; it is legal to-day, and in my opinion we never will get back to a place where the wheat of western Canada will take its proper place in the markets of the world until we eliminate the mixing of the straight grades of grain.

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: My hon. friends from Alberta applaud that statement. It is only fair to say that as far as I can judge from the public records, the farmers of Alberta to-day are in about the same frame of mind with regard to that matter as the farmers of Saskatchewan were ten years ago; that is to say, the farmers of Alberta to-day appear to be satisfied that there is some advantage to the producer in mixing. There is evidence of that in the attitude of the official organizations. It is only during this year that one is able to say with any degree of confidence that the farmers of Saskatchewan are convinced that mixing is a real evil. They were more or less deluded previously by the argument which was used so frequently: You had better not give the Britisher a better article than he is paying for. That is the stock argument with respect to mixing; that it is an advantage to skin the grain down in grading, so low that it will just come within its grade. From my experience in selling grain to European buyers, I am convinced that the European market will respond in price to the quality of the run of cargoes received. This phase is in the mouth of every grain trader in Liverpool, London, Amsterdam or Rotterdam. If the run of cargoes of our No. 3 shows evidence of having been skinned to the limit of that grade, then the quotations for No. 3 northern coming from the other side will be depreciated in consequence. If, on the other hand, the run of cargoes of No. 3 shows that it is the average of the grade, then that fact will be reflected in the prices quoted. We should have a public terminal system where the grain would be binned only with grain of its own grade. The certificate which the buyers receive, bearing the guarantee of this government as to quality, should be bona fide. They want us to live up to that certificate; that is what constitutes our great advantage in the markets of Europe.

Mr. BENNETT: Is not that where the responsibility of the government comes in?

Mr. DUNNING: The responsibilty of the manner in which this whole matter has been handled is the responsibility of this parliament, regardless of party.

Mr. BENNETT: It is the government of the day that is responsible.

Mr. DUNNING: Of course, and no one seeks to evade that. I hope my hon. friend will not try to make political capital out of that fact.

Mr. BENNETT: The government should be held responsible.

Mr. DUNNING: The administration of this act is committed by this parliament to a board of three men appointed for a period of ten years. If I wanted to make political capital out of the matter, I could say that my hon. friend's party was responsible for two out of the three present commissioners, but I do not fault them for that, not at all.

Mr. BENNETT: Only one.

Mr. DUNNING: I do not know who appointed Mr. Snow, but my recollection is that he was appointed during the regime of my hon. friend's party.

Mr. BENNETT: The present Minister of Finance (Mr. Robb) appointed him.

Mr. DUNNING: In any event, Mr. Snow was in a very high official capacity for a long period of years in the service of the warehouse commissioner and the Board of Railway Commissioners. It was a natural promotion for a man with his experience. I am not faulting my hon. friends for their appointment of the chairman. I knew Mr. Robinson many years ago as director of the Grain Growers organization, and later as vice president of the Cooperative Elevator Company in association with myself. I do not know a more honest, fair-minded man, nor a man who works more honestly and conscientiously, as he sees it, in the interests of the farmers whom he represents. Mr. Snow's name has become synonymous with the gradual development of the Canada Grain Act from the time it was administered by the warehouse commissioner down to the present time. Western Canada farmers know him very well. My acquaintance with the chairman is not so great.

These men are admittedly honest, and their judgment has been complained of, as far as I can learn, only in connection with one particular phase of the administration of the act. I do not intend to discuss the merits of the case for, after all, it is a matter of legal opinion, and I am not qualified to say whether that is right or wrong. I have my belief, and I do not mind expressing it—with due deference to the lawyers present—that the addition of those words was not legal. I argued that with respect to the addition of the words "subject to inspector's grade and dockage" many years ago before the act was amended, and I take the same stand to-day regarding the new addition. I admit that the legal authorities said I was wrong before, and apparently beat me on the issue. They may beat me again, but I have a right to my opinion.

[Mr. Bennett.]

Mr. BENNETT: The hon. gentleman has since become a better lawyer.

Mr. DUNNING: No, I have no aspirations in that regard.

Mr. BENNETT: It has been a gradual evolution.

Mr. DUNNING: While I have the greatest respect for the legal profession, and particularly for the opinion of my hon. friend in connection with legal matters pertaining to grain, because he has had very considerable and very creditable experience in that regard, I am not usually regarded as being a friend of that learned profession.

I was discussing the matter of the mixing evil. I think it is correct to say that the farmers of western Canada, taking the three provinces as a whole, are not agreed that mixing should be abolished. The root of the whole trouble, so far as grain grading is concerned, and so far as the intrinsic value of our product on the other side is concerned, lies, in my opinion, in the wide extension of mixing which has been made legal since the grain act was amended in 1925. That amendment was passed after full investigation although not agreed to by the whole representation of the farmers, notably the hon. member for Rosetown and the hon. member for Macleod (Mr. Coote).

Mr. BENNETT: Particularly the president of the grain growers organization.

Mr. DUNNING: I do not intend to attach any blame to anyone in that regard, because they were representing, as they saw it, the wishes of the people who sent them here and the people who were mostly concerned with it. There are difficulties connected with the elimination of this mixing evil. We have been told that we have something like 140 grades of wheat, and have been asked how we can find room for all these grades. If we could only ensure that the six straight grades of wheat would be all binned separately and not with each other, I would regard that as the greatest possible step forward. If we are to have private elevators, let them be placed in the position which they were in under the old grain act; that is, as hospital elevators existing for the purpose of treating grain which required treatment. Some grain requires treatment by way of cleaning of a special character, separating from impurities of one kind or another, wild oats, weeds, and so forth, which exist to such a degree as to prevent the wheat being allowed in the straight grade. That grain is rejected for those reasons, but with the special machinery which is now in

existence, to a far greater extent than ever before, the special cleaning will result in the wheat coming out of the cleaner equal in quality to wheat of the straight grade, because the only reason for its rejection in the first place was the presence of those impurities. It might be thought necessary to admit that wheat back into the straight grade bins. But take wheat which is tough, damp, smutty, or requiring special treatment, although we find that the rejections for dampness or the presence of impurities—

Mr. BENNETT: They can dry it.

Mr. DUNNING: I do not agree with my hon. friend that the mixing of dried No. 3 with straight No. 3 does not depreciate the quality. I know it is argued that it does not, but I have tried it and have found that it depends too much upon the human factor. If the temperature of the drier is regulated with hairline accuracy, then it is possible for the wheat to come out of the drier having an intrinsic quality equal to the average of the grade, but unfortunately, depending as it must upon the human factor, the millers have complained and complained with justice that there has been too much moisture extracted and the chemical content of the kernel affected thereby, or, on the other hand, there has been a cooking process rather than a drying process.

Mr. BENNETT: In Vancouver, where they have a mild climate, they have met with considerable success in drying wheat.

Mr. DUNNING: That is another calculation which has to be taken into consideration in this drying process. The same thing is true of the climatic conditions in Liverpool. The same is true in Liverpool also, but it is too much of a chance for us to say in law that grain which has been treated by means of drying can at all times thereafter be admitted into the public bin of the straight grades. If that were done, it would tend toward depreciation. To my mind the greatest problem we now have to face in connection with the question of grain is to restore in the buying countries full confidence in the integrity of Canada's grain standards. That confidence has been impaired right from the farm itself whereby, following after strange gods in the matter of new varieties of wheat, there has been a tendency—

Mr. BENNETT: That is rather hard on the present Minister of Trade and Commerce (Mr. Malcolm). He is a strange god!

Mr. DUNNING: I might put the leader of the opposition in the deity class, but I never dreamed of putting the Minister of Trade and Commerce there.

Mr. BENNETT: I thought the strange god the hon. member meant was the new Minister of Trade and Commerce.

Mr. DUNNING: As I was saying, there have been, to an increasing degree during the last number of years, attempts at growing new varieties of grain, some of which have not maintained the characteristics essential to keeping up the standard of quality for Canadian wheat. In some districts we have grown white wheats, starchy wheats and spotted wheats. The result of that is inevitably to produce from time to time, mixed samples, mixed cargoes, and from that is bound to result a loss of confidence in the standards specified in the act for Canadian grain, which standards declare plainly that the grain must consist of a certain percentage of hard, red, vitreous kernels.

Mr. BENNETT: That is, the statutory grades, commercial grades.

Mr. DUNNING: Yes. The same is true of the measure of these set from time to time by the grain standards board. I do not think many farmers yet appreciate how difficult is the work of that board. I am not speaking particularly in defence of them, but it is proper that farmers should have an appreciation of the difficulties which their representatives have in connection with this matter, because it must be borne in mind that the Grain Standards Board is set up under the authority of the act. The Grain Standards Board is not responsible to the Board of Grain Commissioners; it has specific duties assigned to it by the act, and the membership is defined by the act.

Mr. BENNETT: But the Board of Grain Commissioners are really responsible for the appointment of it.

Mr. DUNNING: Yes, but their appointments must be made in conformity with the conditions set out in the act.

Mr. BENNETT: But the responsibility is theirs.

Mr. DUNNING: My hon. friend surely does not suggest that a better method of appointment can be devised than for the board to ask the Minister of Agriculture of each of the provinces concerned to nominate its members, thus getting to the point where the Grain Standards Board contains more than 50 per cent of the producers' representatives,

Mr. BENNETT: But the responsibility must be that of the Board of Grain Commissioners, because the statute imposes upon them the duty of appointing the Grain Standards Board. The Minister will remember the section.

Mr. DUNNING: There are restrictions placed around the board in the matter of appointment.

Mr. BENNETT: Quite so.

Mr. DUNNING: Whoever the members of the grain standards board may be, I do not think there is a sufficient appreciation of the difficulties they have to face. They have to deal with setting standards for damaged grain, grain damaged in varying degrees and with varying types of damage. Unfortunately they cannot commence their work until sufficient of the damaged grain is available to make it possible for them to know just what type of damage predominates.

Mr. BENNETT: Otherwise they have no job.

Mr. DUNNING: Otherwise they have no job until the grain comes forward. In any year, and particularly during the past year, with the increased use of combines and more rapid harvesting, by the time the grain standards board can get samples of a particular crop, a great quantity of that crop has already moved forward and been graded, if the law is carried out, in conformity with standards set for the previous year's crop.

Mr. BENNETT: It is the "if" that causes the trouble.

Mr. DUNNING: Quite correct. I believe, however, it is possible to have the grain standards board meet earlier, provided that the Board of Grain Commissioners, instead of being tied up as they are by law at the head of the lakes, had an office in each of the provinces producing the grain. I am not saying that they should not have an office at Fort William, but they should have one in each province producing grain, if for no other reason than to see that the first grain threshed is submitted to Winnipeg in order that the grain standards board may function as early as possible, instead of waiting for carloads of wheat to come forward which are invariably accompanied by many other hundreds of carloads which are being graded in conformity with a standard which existed the year before. An improvement can be made in that connection. The point I started out to make was the difficulty with which the grain standards board is confronted, no matter who the men may be. The type of damage to western Canada's wheat crop in one year may and frequently does differ entirely from the type of damage which existed the year before. Everyone who studies the matter at all knows that the intrinsic value of wheat is affected quite differently by rust from what it is affected by frost; that it is affected quite differently by frost which comes a month before harvest from what it is affected by frost which comes a week before harvest. All these factors create a different intrinsic value in that particular year's wheat crop as compared with the wheat crop of any other year. It is one of the worries of men who are responsible for handling large organizations for the farmer to know just what intrinsically is going to come out of the particular damage they know may have occurred through rust and frost, to name only two things, and there are more types of damage as the years go by.

Mr. SPEAKER: The hon. gentleman's time is up.

Mr. MALCOLM McLEAN (Melfort): Mr. Speaker, I had not expected to speak in the house on this question because, in my opinion, it is a matter that could better be disposed of in committee, and had I been a member of the committee I would not now be taking up the time of the house in discussing the question. Unfortunately, however, it has come into the house from the committee and we must deal with it. I am not opposed to dealing here with the matter of amendments to the grain act, but I do not think this is the time at which that should be done.

Much has been said about the discontent in western Canada in connection with the crop of last year. I do not think the discontent has been at all exaggerated, but I believe the causes of that discontent have been in many cases misstated and understated.

Mr. BENNETT: Understated!

Mr. McLEAN (Melfort): Certain causes have been understated. For instance, I have not heard much yesterday or to-day as to the true cause of the first trouble and first loss in connection with the crop of last year. That was during the week in which the twenty-second of August fell last year and it was a week of almost intermittent frost. There was not a week of frost every night in any one district, but over a period of a week there was frost in different districts every night. On the twenty-second of August I happened to be on the train going from Winnipeg to Regina and shortly after daylight, on looking out of the window, I saw the potato tops were as black

as my boots. A portion of the crop of Manitoba had been cut by that time, but the great bulk of the crop of Saskatchewan and probably all the crop of Alberta was still standing. That was the first cause of loss, and anyone who thinks that a frost of sufficient severity to turn potatoes black will not damage grain before maturity should look into the matter more closely. It certainly caused a tremendous loss. I am of the opinion—I am not going to guarantee this, because I am not as scientific, or as dogmatic, at least, as was the hon. member for Kindersley (Mr. Carmichael) a little while ago—that that week of frost cost the farmers of Saskatchewan between $75,000,000 and $100,000,000, owing to the deterioration in the quality of the grain and the loss of weight. An early wheat that was nearly matured would not lose so much in quality and would not lose nearly so much in weight as the later wheats. These later wheats, which were still fairly green when the frost came, lost tremendously in weight and quality.

Mr. BENNETT: Tremendously in weight.

Mr. McLEAN (Melfort): They lost tremendously in weight; there is no question about that. On the other hand, the farmers who were fortunate enough to have their crop matured and cut at that time, some men who were fortunate enough to have grown garnet wheat, which matured fairly early, and had it cut a few days before the frost came, in many cases had the best year in their farming history because there was an immense crop on the ground, and garnet ripened early, graded high, and sold at a comparatively fair price.

I should like to say this further, so far as discontent in western Canada last year is concerned. While the frost did do a tremendous amount of damage, much of the crop, which was graded low, was still a high quality wheat for the simple reason that it was nearer to maturity before frost came. I say, much of it, but not all of it. Later on, due to various factors, prices were low on the world's market, and just here I would refer for a moment to the statement made by the hon. member for Kindersley, who, as I understood it, said that in his opinion unscientific grading caused a loss to the farmers of $175,000,000. That point has already been dealt with by the Minister of Railways (Mr. Dunning), and I shall not spend much time on it, further than to say that the pool should pray to be saved from their friends and their advocacy. The price was low because of the production on the world's market, not because of unscientific grading. To illustrate that, let me say that before a single bushel of grain was cut or threshed or graded, the price was down on the world's market. Even before the frost came the price was down. I remember getting a telegram from one of my friends in eastern Canada a little while before that, asking my opinion as to the likelihood of a rise for a quick turnover in the grain market, and I remember that I replied to the effect that there was absolutely no warrant for any bullish feeling in the west at that time so far as I could judge.

Mr. BENNETT: The price went up after the frost.

Mr. McLEAN (Melfort): The price may have gone up a little, but nothing in proportion to the damage done. I think I know the reason for that. The farm newspapers, pool officials probably, and certainly trade officials, when asked their opinion as to the damage done by the frost said that it had done a certain amount of damage, but not excessive harm; and we all try to believe that frost has not done much harm until the grain is actually threshed and we cannot get away from the fact.

Mr. WARD: Is it not true that there was a report broadcast all over Canada that we were likely to harvest not less than half a billion bushels?

Mr. McLEAN (Melfort): It is true, I think, that we harvested half a billion bushels. There was a tremendous crop in the ground. Speaking of the damage done by frost, I remember that away back in 1907 there was a frost in July or early in August, and meeting an old farmer friend of mine I asked him what damage the frost had done. It did not appear serious, and I remember very well that he replied, "I have never yet seen a frost come during the ripening season which did any good to the crop." That crop of 1907 was probably the worst in the history of western Canada in this century, and the crop of last year and of the year before would have repeated that experience had it not been for the early maturing varieties of wheat which had been developed—largely due to the policy of the Department of Agriculture at Ottawa, which has been striving for the past thirty or forty years to produce earlier-maturing wheats. In 1927 we were saved from the loss that came in 1907 through the early freezing of late-maturing grain.

The fact remains that the loss last year was not due to unscientific grading, but to crop damage and a low price on the world's

market. The hon. member for Kindersley took the average prices for four years, one of which was 1924, a very low-yield year in western Canada, and he averaged the price received at $1.12. Then he said that the 1928 crop would sell for only 77 cents a bushel. That statement is almost too ridiculous for me to attempt to refute it. Who knows what the 1928 crop is going to sell for? No one knows yet what it will sell for.

Mr. CARMICHAEL: The bulletin here will tell you.

Mr. McLEAN (Melfort): We are not paying any attention to the bulletin.

Mr. BENNETT: It is issued by the government.

Mr. McLEAN (Melfort): Which government?

Mr. BENNETT: The government of this country.

Mr. McLEAN (Melfort): It was not the government of this country that said that, and I challenge anyone to prove it.

Mr. BENNETT: There are the official figures in the bulletin.

Mr. McLEAN (Melfort): How does he know they are right?

Mr. BENNETT: I do not know.

Mr. McLEAN (Melfort): And he does not know.

Mr. BENNETT: He is paid to know; I am not.

Mr. GOTT: I think the hon. member ought to take the word of the hon. member who quoted these figures.

Mr. McLEAN (Melfort): When I want to address myself to the hon. member for South Essex (Mr. Gott), I will do so.

Mr. GOTT: I expected a sarcastic reply from the hon. member.

Mr. McLEAN (Melfort): The hon. leader of the opposition (Mr. Bennett) was addressing himself to me, for which I thank him.

The serious part is this, Mr. Speaker. A report goes out from this house attributing this statement to the hon. member for Kindersley, and where he is not known and where his way of reasoning is not generally understood—I know he is absolutely sincere and that he believes he is right, but his reasoning is absolutely wrong—people will say: This was said on the floor of parliament by the hon. member for Kindersley, and everybody knows he is a truthful man, so they will think it must be so.

It seems a waste of time to attempt to refute such a ridiculous proposition as was put forward by the hon. member for Kindersley, but let me just add this: The pool in the last four years set their initial price at $1 a bushel, and the farmer pays the freight to Fort William. This year they set the price at 85 cents a bushel. Later on, just about this time of the year, the pools make a payment on account. This year they made a payment of 12 cents a bushel. The total payments on No. 1 northern in store at Fort William up to March 20, 1929, amounted to 97 cents per bushel. In other years the payment by this time would come to around $1.25, and that much at least was expected this year. The pool is not to blame for that. They set their initial price low to protect themselves and protect their farmer members. Why say that unscientific grading had anything to do with the price when the price was set before a bushel of wheat was graded? The price was based on the world's production and demand. I am not going to say any more about that.

The question of mixing was not touched on very much in the earlier part of this debate, but it has been dealt with to some extent to-day. To my mind this question of mixing is far more serious than the question of the hybrid ticket, which was dealt with yesterday. The first frost caused discontent in the country, and a tremendous economic loss; there is no question about that. The low price on the world's market, and the low payment in western Canada based on that low price, caused another great loss and a great deal of discontent. The question of mixing is probably the most serious one facing the western farmer to-day. The best organized farmers are most vehement in their condemnation of that practice, and of that I shall give evidence in a little while. Unfortunately there are two kinds of mixing: One that could be controlled by legislation and the other that probably could not. As evidence of the type of mixing that is hard to control, I propose to quote from an article published in the Regina Leader of April 22, 1928. It is headed:

Aiming at Fewer, Better Wheat Varieties, Pool backs Zoning System.

And proceeds:

Realizing the necessity of maintaining uniformity in the standard of pool wheat, the directors of the Saskatchewan Wheat Pool have been actively investigating ways and means of

encouraging the production of fewer and better varities in the province and have actively associated themselves with the promotion of a zoning system.

"One of the factors making for lack of uniformity," said a wheat pool official yesterday, "is the great increase in wheat varieties that has developed since the introduction of Marquis in 1903. It is true that great advances have been made in the production of wheat by cross breeding and selection by different agencies such as experimental farms and prominent seed growers, but with no restriction on the number of varieties licensed the result has been that a large number of varieties have been produced, not all of which have proved superior to the existing varieties.

"In many cases the new wheat varieites are higher yielding or have greater rust resistance but are lower in milling or baking qualities than the previous standard varieties.

I have read sufficient for my purpose. That is a situation that can be hardly dealt with by legislation, but it has been extremely expensive to the farmers of western Canada. There is, however, a type of mixing that can be controlled by legislation. In a return handed down last session in reply to a question by the hon. member for Willow Bunch (Mr. Donnelly) it is stated that in the crop year 1920-21 twelve million bushels of No. 1 northern wheat were taken into store and eleven million bushels taken out—a little less; ten million bushels of No. 2 were taken into store and sixteen million bushels taken out; sixteen million bushels of No. 3 were taken in and nineteen million bushels taken out. Coming down to 1926-27, we find the situation worse. The practice is legal, but it is bad. In that year fourteen million bushels of No. 1 northern were put into store, and eighteen million bushels shipped out; thirty-two million bushels of No. 2 were put into store, and forty million shipped out; fourteen million bushels of No. 3 were put into store, and twenty-seven million bushels shipped out. My hon. friend from Kindersley stated, if I heard him aright, that the higher price paid by the pool was due largely to profits made on mixing. Well, if that kind of mixing can be any more profitable than the other kind I cannot understand it.

Objection has been taken to the grading system. Overseas it was complained that the grade was gradually getting lower; for two reasons; one, that the quality of wheat was gradually changing, new varieties being introduced and new areas being brought into cultivation that did not produce as high a quality of grain as the older land; the other reason for the decline in grade was the mixing. Under these circumstances it was inevitable that there should be a lower standard of grain delivered on the old country market. There was considerable discontent, and last year apparently efforts were made to tighten up the grades. The grade delivered to the Alberta pool out of the crop of 1926, which has been quoted as a fairly high-grade crop, was as follows:

2.6 of the wheat handled was No. 1; 8.2 per cent No. 2; 17.3 per cent No. 3; 10.6 per cent No. 4; 10.9 per cent No. 2 tough; 20.5 per cent No. 3 tough; 11.1 per cent No. 4 tough.

Those were the grades that year. The balance is not divided into grades, but doubtless there was damaged grain that had to be hospitalized before it could be placed on the market. Probably last fall there was a gradual tightening up of grades. The standard grades set by law should not have been changed. I have not heard very much direct evidence that they were changed. But there was quite an apparent difference in the commercial grades, and that again I think was for two reasons; one, that the wheat last year while it graded low—it was certainly frosted—was of unusually high quality. There had been a spendid growing season and until frost came the growing conditions had been almost perfect, and after the frost they continued almost perfect over the greater part of the west. Not since 1924, when we had a good deal of wet, cold weather, have we had such favourable conditions. Complaints were coming from the old country of the degrading of grain in previous years, and an effort was made at tightening up the grades. That was the state of affairs when the Grain Standards Board met. As described by the Minister of Railways, it is a thoroughly representative institution. That board set the standard so high that Dr. Birchard, the chemist of the Board of Grain Commissioners, protested, and the standard set was lower than it would otherwise have been. I cannot understand why the board should be condemned for that action of their chemist. It is unfortunate that the Grain Standards Board met so late in the season, but this point has already been dealt with by previous speakers. The reason may be better understood if I quote from the evidence given by Mr. Plumer, representing the president of the Alberta wheat pool, at the sittings of the agriculture committee on the 13th instant. I am quoting from page 18 of the report of the committee of that date.

He said:

We asked a few years ago that the setting of the standard samples be arranged at a date when our Alberta friends could be represented in them more fully than they had been up until that time, and since then we have had some better satisfaction than we had prior to that time. It is unfortunate that the samples can-

not be set definitely until nearly the middle of October usually in that a large percentage of the Manitoba and eastern Saskatchewan grain has moved. At that time there would be a possibility of a slight change in the standard sample.

Now, it is only natural that there should have been a change last October if, after a series of years of low-grade commercial standards, there came a year of high-grade commercial standards. But the standard was set late in the year and apparently higher than usual. If the standard was deliberately lowered in previous years because of weather conditions affecting the grain, it is natural that that lower standard would be reflected in lower prices in the old country according to the world market at the time. An effort was made to get it back as quickly as possible to the high standard that obtained before. I do not think the commissioners should be very much condemned for that. It was not of their doing.

These are three of the reasons that have caused a great deal of discontent in western Canada during the past year: Frost—low price—mixing of grain. The mixing gave rise to the greatest discontent. The tightening up of the grades also caused discontent.

A good deal has been said about the diversion of cars after inspection of the grain. I think that to some extent a wrong impression has been created by those who have discussed the question. There is only one legal way in which carloads of grain can be diverted. If a farmer ships his grain to an agent, whether to the pool or otherwise, and gives him authority to handle it to the best advantage for himself—the farmer—and the agent gets an offer at Winnipeg or elsewhere, and decides to sell the grain, and sends the car to the mill or the elevator people who are buying the grain, I do not see how that practice can be legally stopped. The hon. member for Kindersley said that he was not interested in any but the pool farmers. This house cannot take that narrow, parochial view; we must be interested in the welfare of all the farmers of western Canada so far as grain growing is concerned. I do not see how we can legislate to compel a man to ship his grain right through to the terminal without liberty to sell it while in transit. Ever since western Canada commenced to grow wheat there has been a degree of diversion and I expect it will continue to some extent. If, however, there has been an illegal diversion of cars by agents of milling companies or of purchasing companies, who break the seals and order the cars diverted, without the authority or permission of the owners or of the agents representing the owners of the grain, then of course it becomes a criminal offence and should be taken to the proper authority. It should not be laid at the door of the Minister of Trade and Commerce but should be taken to the Minister of Justice or to the police department, inasmuch as it is a criminal action. To my mind the matter could be easily settled.

There is another cause of discontent—in my opinion a very minor cause—and that is the so-called hybrid ticket. In the discussion in the house yesterday we heard of nothing else but the hybrid ticket. But if the hybrid ticket is the whole cause of the trouble why did we not hear about it a year ago? That ticket was in use by the grain trade in the handling of the crop of 1927. In my opinion it is a wrong that should not be tolerated; I do not think it should be used. I do not believe that the grain trade is living up to the spirit of the agreement it made with the pool. But I do think that they are going to put up a fight—at any rate they are likely to attempt—to prove that they have a legal right to do what they are doing under the contract entered into by them with the pool. As I say, however, that hybrid ticket was in use in 1927, and we heard little about it. The pools themselves were not very sure whether that agreement into which they had entered might not bind them to some extent. As a matter of fact, there enters into the matter a question of considerable legal importance. The legal question involved is, I take it, as to the time at which the ownership of the grain ceases to lie with the grower and becomes vested in the agency to which he is sending it. Now if the pool were buying the grain, which it does not do, and paying for it as soon as it was in the elevator, there would be no question about the fact that the pool would own the grain and the farmer would not be able to direct shipment of it to any particular terminal. But if he were not able to ship it to any particular terminal elevator, neither would he be able to order the car in which to ship it. If therefore he is able legally to order the car in which to ship the grain I am firmly convinced that he has a right under the law as it stands to ship to the terminal of his choice.

The chairman of the royal commission which investigated the subject in 1925, Mr. Justice Turgeon, has been quoted by some hon. gentlemen in this house; and I notice that his opinion was quoted by a member of the house in the debate that took place three years ago. I will not take the time now to read at any length from Mr. Justice Turgeon's statements, but this was his argument: "According to the agreement entered

into by each producer who joins the pool, the grain remains his own property until sold by the selling agency, and the producers are virtually doing their own mixing." It was in reference to mixing that he was speaking at that time, but the same principle applies. If the owner of the grain, the grower, is only sending his grain to the agency to be dealt with afterwards, then by no stretch of the imagination can it be said to be the property of the agency; it is the grower's own property until delivered. Although I have no knowledge of law, I think I am on pretty sound ground in making this statement. The amount of grain which is handled in this way is extremely small. I do not know what the percentage is in Saskatchewan, but in Alberta, according to a statement made the other day, the pool in that province handles 50 per cent of the grain; and of that 50 per cent 60 per cent is handled in their own elevators and 20 per cent of the total crop shipped through line elevators and handled under graded storage receipt, special binning, and so on. Posibly not more than 5 per cent of the total grain of that province is handled through special bins in line elevators for the pool, and I think it is no exaggeration to estimate that not more than half of the farmers whose grain goes into these special bins and is there by the line companies consigned to their own terminal elevators have entered any objection to the hybrid ticket. You would have heard more about it if they had. So that probably not more than 2 per cent of the growers were at all dissatisfied with it. Yet we find in this house, until this afternoon, that nearly 100 per cent of the objection to the motion now under consideration is represented as having to do with the hybrid ticket. I do not think this is the wisest way to deal with the matter.

As evidence that I am giving more than my own opinion I may say that last fall I received from many branches of the farmers' organization in Saskatchewan, which province produces more than half the grain of all western Canada, many resolutions asking for assistance in doing two things. One was to have the mixing evil eliminated in order that the high standard of Canadian wheat on the world's markets might be retained. This organization resolved that the standard for grading out of private terminals should be equal to the average of the same grade at inspection points. Technically that is difficult to secure, but that was their desire. There was another resolution dealing with the transfer of the administration of the grain act from the Department of Trade and Commerce to the Department of Agriculture. I intend to deal with that later on. But what I want to point out at the moment is that there was no suggestion in any of these resolutions in regard to the hybrid ticket; it was not recognized as causing any particular trouble. It may be that there is a difference between the situation in Saskatchewan and that in some of the other provinces. An hon. member has referred to one difference, and it is this, that in Saskatchewan opinion against mixing is almost unanimous at the present time. The members from the province of Saskatchewan in this house, and who were in the province at that time, were invited to confer with the authorities of the Saskatchewan pool before coming here. This is coming to be an annual practice, and it is a wise one. We attended that conference and heard many matters discussed, and the so-called hybrid ticket was among them. It was also discussed the year before to some extent. At that gathering an understanding was arrived at that a written statement would be sent to the members from Saskatchewan in this house setting out the reforms which the pool was really anxious to secure and was fighting for. I hold that statement in my hand; I received it from an officer of the pool. I find that it deals first with mixing in general, the great evil which is recognized to-day by all the farmers of Saskatchewan; and regardless of what anyone says, mixing is the first evil. Damage from frost and other natural causes is an important consideration with which we cannot deal, but mixing is the paramount evil in respect to which immediate relief is asked. Another trouble is in regard to the definition of No. 3 northern wheat; a better definition is desired. The situation there is rather confused because of changes that have developed since No. 3 was first dealt with. The memorandum also covers such grades as amber, durum, No. 1 and No. 2 Canadian western, and so forth. But there is nothing at all in the memorandum about the hybrid ticket. I say therefore that it is not fair for some hon. members to make such a fuss about the grain commission in reference to this ticket.

I must hurry on because my time is getting short, and I am not so much interested in rehearsing the difficulties of the farmers in western Canada as in trying to find a remedy for those troubles; because no matter where farming is carried on, the history of agriculture throughout the world teaches us that the farmer is always just one jump ahead of disaster. In the semi-tropical zone in the southern states the citrus crop is just a little ahead of frost; a little further north the cotton crop is faced with the same diffi-

culty; and the same is true of corn, wheat and other products. I presume that the farmers in the rich province of Ontario are also pursued by trouble from time to time. However, in my opinion it is better to improve conditions than to talk about them.

Now in connection with the administration of the grain act I will admit that there are inequalities; there are certain difficulties that must be overcome. Let us look for a few moments at the history of the Manitoba Grain Act and its administration for the past thirty years. That act was secured after a hard fight by the organized grain growers of western Canada; they came down here and put up a good battle and finally had the act put through. That battle stirred up and interested every farmer in western Canada, so that when the act was passed almost every farmer in the west knew exactly what its provisions were, what it meant to him and all about it. During this time the population of western Canada was small; farming was carried on in a small area, over which the soil was very much the same and the climatic conditions very similar. The organized farmers were familiar with the law. In addition to that the warehouse commissioner, the administrator of the act, was located in Winnipeg, and his deputy was in the field. I refer to Mr. Snow, who has been so maligned here, in my opinion without adequate cause. However, the farmers of the west were thoroughly aware of their rights, privileges and responsibilities under that act; the deputy was in the field all the time, settling problems, meeting farmers who had grievances or who were dissatisfied or who wanted information, and in those days with a small territory involved it was possible to keep things running smoothly.

To-day, however, conditions are different. The territory involved has increased to twenty times its former area; the yield of grain has increased ten times; there are twenty or thirty varieties of wheat now where formerly there was one, and there are thousands of farmers who are not so familiar with the act. Some may doubt that; the leader of the opposition (Mr. Bennett) asked the Minister of Railways a few minutes ago if it were true that the farmers did not know their rights and privileges under the act. It is extremely difficult for them to do so, as is shown from the debates which take place in this house in connection with different pieces of legislation. There are times when we are in doubt as to the provisions of certain acts, so we cannot wonder that the farmer is uncertain also. The facts remains that many farmers in the west are not thoroughly familiar with their rights and privileges, and that is only natural.

[Mr. McLean.]

I happened to listen to some of the evidence given before the royal grain commission when it sat in Saskatchewan last fall. That commission was very helpful, not only through the information it gathered from the farmers but by means of the information it was able to give to them. Many farmers appeared before that commission, gave their evidence on oath that they had done so and so, that they believed they could be compelled to do so and so and that they did not know they had power to demand certain other things. The chairman of the commission or one of his assistants had no difficulty in showing the farmers their position under the act, but before that many had not known of them. That is a very different situation to that which existed twenty-five or thirty years ago, when the farmers knew pretty well what was in the statute.

THE ROYAL ASSENT

SUSPENSION OF SITTING

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Honour, the Deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the senate.

Accordingly, the house went up to the senate.

And having returned,

Mr. SPEAKER informed the house that the Deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bill:

An act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1930.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MALCOLM McLEAN (Melfort): Mr. Speaker, when I was interrupted by the request from the Deputy of the Governor General that this house should attend him in the senate chamber, I was dealing with the means which, in my opinion, should be taken to improve the handling of grain under the Canada Grain Act. A request was made last fall by the organized farmers throughout Saskatchewan for some action on this matter, and the following resolution was passed by many branches:

Whereas we believe the administration of the Canada Grain Act should be under the control of the Department of Agriculture, as it deals

with the grading and the movement of the most important agricultural product in Canada, and further the Department of Agriculture, having a wide knowledge and sympathetic interest in and understanding of agricultural problems, is the logical department to administer the said act;

Therefore be it resolved we request the Dominion government to remove the administration of the Canada Grain Act from the Department of Trade and Commerce and place it under the Department of Agriculture.

When the hon. member for Mackenzie (Mr. Campbell) was speaking this afternoon he made the statement that we would be expressing a lack of confidence in the Minister of Trade and Commerce through the passing of this resolution. It is a matter not of expressing a lack of confidence in the Minister of Trade and Commerce, but rather of expressing confidence in the Minister of Agriculture and asking that the administration of this act be placed under that department, in which department probably ninety-eight to one hundred per cent of the farmers have confidence. It would be an expression of confidence in the organization back of the Minister of Agriculture (Mr. Motherwell), which organization has a wide knowledge and sympathetic interest in and understanding of agricultural problems. It is agreed that the Department of Trade and Commerce is the logical department to help the farmers sell their products, but in the handling and shipping of their grain, and the solving of other problems which might arise, the farmers of western Canada need the assistance of such men as Doctor Grisdale, Mr. Newman, and Mr. Clark. Those are the men who have developed marquis, garnet and other varieties of wheat which have so greatly benefited the country. The farmers believe that such an organization back of the minister would naturally be more sympathetic than would be an organization of salesmen. They would be more effective in their own sphere, and so the request has been made that this matter be transferred to the Department of Agriculture.

I should like to see this resolution carried out to the fullest extent. I am not a member of the agriculture committee and, therefore, could not urge my views upon that committee, so I desire to move that the motion be amended by adding thereto the following words,

"and also the administration of the Canada Grain Act."

Mr. DEPUTY SPEAKER: I am afraid the hon. member will have to redraft his amendment. The motion before the house, moved by Mr. Kay, reads:

That the third report of the select standing committee on agriculture and colonization be concurred in.

The motion which had been previously moved by the chairman of the agriculture committee was ruled out of order, and the amendment suggested by the hon. member would not attach itself to the motion under debate.

Mr. McLEAN (Melfort): Would Your Honour be good enough to give me an opportunity to put it in order, and advise me as to how it could be done? Hon. members may laugh, but I remember a case not very long ago in which the Speaker himself saw to it that sufficient time was given to an hon. member to draft a motion and obtain a seconder.

Mr. CHAPLIN: Why do you not ask the Minister of Trade and Commerce?

Mr. McLEAN: There was a minister of trade and commerce for a short time in this country, under the "shadow government," whom I would not care to consult.

Mr. CHAPLIN: You might have avoided your trouble.

Mr. G. G. COOTE (Macleod): Mr. Speaker, the report which is being discussed by the house deals with a matter which is of very great importance to Canada generally, and to the grain producers of Canada particularly. Parliament also is greatly interested in this matter, and rightly so. During the years 1921 to 1927 the government has received a surplus of revenue over expenditures under the administration of the Canada Grain Act amounting to over $2,500,000. I have been asked by members of this house why it is necessary to have the grain act at all; why it is necessary to have grading and inspection of grain. I think that question can be answered very readily: It is because of the immense volume of grain which has to be handled in a short time. It might be enlightening to members of this house to know that during one week in the year 1928, the week ending September 23, fifty-one million bushels of grain were delivered at country elevators and loading platforms in western Canada. During that same week 47,000,000 bushels of wheat alone were delivered. During one week last year over 24,000,000 bushels of grain arrived at Fort William and Port Arthur to be unloaded at the terminal elevators. From the few figures I have given I think the members of the house will readily see the necessity for the Canada Grain Act, and the necessity for efficient administration of that

act. I think it is putting the case very mildly to say that the producers of grain in western Canada are very much dissatisfied with the present situation, and with very good cause.

I am not going to attempt to-night to deal with the questions of grading, mixing, storing, handling, et cetera, of grain, as I think these phases have been covered very fully by previous speakers. Several members of the house seemed to take the attitude this afternoon that the grain act had been very well administered, and that we were not justified in asking that the Board of Grain Commissioners should be removed from their present position. One hon. member said that we should not question the honesty of the commissioners; that it is not fair to do so. Personally I am not questioning the honesty of any member of the Board of Grain Commissioners, and I do not think any hon. member has done so during the debate, none at any rate, that I have heard; but we do question the efficiency with which they have administered the Canada Grain Act. We think they have been very remiss in their duty. Surely we can discuss the administration of the act without bringing into question the honesty of the men who are administering it.

While I said that I would not deal with the question of grading or mixing, I should like to make just one reference to a statement made by the Minister of Railways (Mr. Dunning) this afternoon in regard to the special bin ticket; that is, the ordinary "C" ticket. On our own farm I have been in the habit of receiving this ticket for many years; I have signed hundreds of them and I know positively they were the special bin ticket. It may be that in many cases a graded storage ticket is being given to the farmers in lieu of the special bin ticket. I should not like to make a very positive statement in regard to that, but in our own case I know we have been receiving the regular special bin ticket.

Mr. DUNNING: From an ordinary line elevator company?

Mr. COOTE: Yes, because until last year we did not have the pool elevator at our point. At the last annual convention of the United Farmers of Alberta, the question of the administration of the Canada Grain Act was discussed at considerable length, and after that discussion the following resolution was passed practically unanimously by the convention. I think it is my duty to place it on Hansard.

[Mr. Coote.]

Board of Grain Commissioners

Whereas the Canada Grain Act was passed for the protection of the farmers, and

Whereas the Board of Grain Commissioners was appointed to insure to the farmers the protection intented to be extended to them by the Canada Grain Act, and

Whereas, in the opinion of this convention the present Board of Grain Commissioners have failed to function in such a manner as to give to the farmers the protection that parliament intended them to have, and,

Whereas, the farmer has, as a consequence, lost confidence in the personnel of the present board, and

Whereas since the creation of the board (comprised of three commissioners) the production and shipment of grain has increased enormously, and

Whereas, export of grain through Pacific ports has since been developed, and

Whereas, the extension of the area from which grain is produced in large quantities makes it impossible for a board of three commissioners functioning properly, to give the farmer the protection the Grain Act was designed to extend to him.

Be it resolved:

(a) That this convention demand the removal of the present grain commissioners;

(b) That this convention request parliament to amend the Canada Grain Act to provide

(1) A board of five commissioners, one of whom shall reside in Alberta and one in Saskatchewan.

(2) That the duties of the board be defined and extended and that power be given to the board to enforce its orders.

(3) That the board be given power to investigate and be charged with the duty of investigating on its own initiative, every operation incidental to the movement of grain from the time and place of its being threshed to its final destination, whether in or out of Canada;

(4) That the board be charged with the duty of holding sittings throughout the three prairie provinces, each year, during the period from the first of September to the end of February next for the purpose of enquiring into the operations of the various facilities operating under license and regulation under the Canada Grain Act and to hear all complaints;

(5) That the foregoing provision be given effect by the increase in number of commissioners and not by the appointment of inspectors.

(6) That parliament provide funds to pay to commissioners salaries sufficiently large to make available for the office, candidates of outstanding ability, industry and integrity.

That resolution is very definite. There was no question in the minds of the delegates at that convention as to what should be done. Although the resolution does not say so, I think I might add that it was the opinion of the United Farmers of Alberta that the appointments to the board should not be made because of political considerations.

Mr. BENNETT: What is the date of that resolution?

Mr. COOTE: January 15, 1929. Practically every corner of Alberta was represented at

that convention; in other words, the convention was quite representative of the producers of grain in that province.

This might be a good time to place before the house a little news item copied from one of the daily papers published last month. I am sorry I have not the name of the paper. The heading reads:

Grain industry is loosely organized. Decision reached by commission after hearing 250 witnesses.

The despatch is from Davidson, Saskatchewan, January 16, and it reads:

After 250 witnesses from all parts of the province have testified before the royal commission concerning the various phases of the grain industry one factor stands out as the dominating feature of the entire situation. That is, that the entire system is loosely organized from the moment the grain is being selected for seed up to the time it goes into the terminals at Winnipeg and Vancouver. The Canadian Grain Act has been amended and reframed frequently always with a view of facilitating the movement and marketing and giving the producer the best opportunities indicated by experience and their wishes for securing the best price level afforded by world market quotations.

But evidence is accumulating that many of these so-called privileges for which the farmers and their political sympathizers fought for years are dead letters for one reason or another.

It would be interesting if we could find out just what those reasons are.

Evidence of well-informed farmers before the commission suggests that the mass is not informed as to just what these privileges and the law applying to shipping and merchandise and grading are.

I have another quotation also taken from the press. It is presumed to be a statement made by Commissioner Brown, Chief Justice of Saskatchewan and chairman of the grain commission:

Someone playing fast and loose with the farmer.

There is no doubt about that.

Mr. DUNNING: Will the hon. member state the authority he is quoting there?

Mr. COOTE: I am quoting just from memory. I will make it very plain that I think that statement was made by the commissioner. I remember seeing it.

Mr. DUNNING: My hon. friend read from some authority. What is the authority?

Mr. COOTE: That is taken from one of the daily papers, and is a press despatch from Davidson, Saskatchewan, dated January 16. I am sorry I have not the name of the paper. It is possible I can find out and let the minister know.

Mr. DUNNING: I do not wish to object, but my hon. friend knows it is quite out of order to read anything of that sort without stating what it is.

Mr. COOTE: I think it was reported in practically all the papers. This is only one of a great number of statements that have appeared in the press in reporting the proceedings of that commission.

In the short time that I have left I do not think I can do better than deal with one case in the province of Alberta which will bring very clearly before the house the manner in which the Board of Railway Commissioners have been administering the act. Several members said this afternoon that most of the complaints had been in regard to the so-called hybrid ticket. In the case to which I shall refer the hybrid ticket is not dealt with at all; the regular ticket was issued. This is the case of Mr. Randle, of High River. I shall quote from sessional paper No. 115B, which was recently brought down.

The first correspondence in the case is a wire from Mr. George E. Randle, of High River, to the Board of Grain Commissioners, dated October 19, 1928, and reading as follows:

Car one three nine three one two C.P. billed to government elevator Calgary re Bawlf Grain, High River, was in special bins. Tickets in my name. My billing instructions were to bill to pool terminal, Vancouver. He refused to do so. I offered to pay the handling charges. I demanded my tickets. He says he has cancelled my tickets and offered me so-called pool tickets. Can you give this your attention before this car is unloaded? I want my original storage tickets in my own name. I have another carload of wheat in this elevator. Wire me collect.

I hope the house will notice that this man claims that he had special bin tickets. Next is a wire from M. Snow, Winnipeg to Mr. Randle, High River:

Your wire received. Taking this matter up with the Bawlf Grain Company at once.

That wire is marked "Collect." Next is a wire from Mr. Snow to the Bawlf Grain Company, Calgary, dated October 19:

Wire from George E. Randle, High River, re car thirteen ninety three twelve, billed government elevator Calgary, claims agent cancelled tickets made out in his own name, changed to pool tickets. Demands original storage tickets restored and car billed pool terminal Vancouver. Answer.

The answer is given in a telegram dated October 25, from the Bawlf Grain Company

to the Board of Grain Commissioners, Winnipeg:

All tickets issued to George Randle who is member of wheat pool. He did not notify us at time grain was being delivered that it was pool wheat which is contrary to clause twenty-one of our agreement.

That is the most outlandish statement that I have yet seen in this correspondence, that it was contrary to a section of their agreement with the pool that Randle should bring wheat to this elevator company and not notify them that it was pool wheat. I continue to read:

Request our Winnipeg office quote you wording of clause twenty-one.

For nerve, I think that telegram certainly is the limit.

Mr. CAMPBELL: If the hon. member has the contract there, would he mind reading that particular clause?

Mr. COOTE: I think I have it somewhere, but I do not know whether my forty minutes will allow me to read it. I may do so later. Next is a wire from M. Snow to the Bawlf Grain Company:

Board understands tickets issued R. Randle's name. If so, on what authority did your agent change tickets to show grain delivered account of pool. If agent did this board believes Randle had right to receive original tickets and give shipping instructions.

The board seemed to be very definite that if this man had the tickets he should have the right to direct the shipment of his grain. Next is a wire from the Bawlf Grain Company, dated October 20, to Mr. Snow:

Referring your wire re Randle, High River, would quote clause twenty-one of our contract with pool. Is not this our proper procedure?

What possible clause could be put in the contract which would allow the grain company, after issuing regular tickets to a man, deliberately to cancel them and issue what they call a pool ticket?

Next is a letter from Mr. George Randle, and may I draw the attention of the house to this: Mr. Randle complained by wire on October 19, and he does not get any reply from the board, except an acknowledgment of his telegram. On November 5, after waiting sixteen days without a reply, he writes to the board as follows:

High River, November 5.

To the Board of Grain Commissioners,
Fort William.

On October 19, I sent you a wire in connection with a car of wheat No. C.P. 139213, shipped from High River, and unloaded in Calgary. This wheat was put in a special bin and the tickets were made in the name of Geo. R. Randle, as I did not belong to the pool at that time.

[Mr. Coote.]

I hope the house will notice that the tickets were issued to Randle when he was not a member of the pool. He goes on:

I was busy threshing and did not go and get my tickets. By the time I was in turn for a car the price of wheat was off a good deal, so I joined the pool.

Mr. DUNNING: No comment needed on that.

Mr. COOTE: Comment is unnecessary. He goes on:

When the car was loaded I asked the Bawlf elevator man to not bill the car as I would attend to that, but when he found that I was going to bill the car to the pool terminal at Vancouver, he flew into a rage and . . . . me—

There is a blank space there where some word has been omitted. I suppose it was not parliamentary language:

—so I asked him for my tickets, and he said that he had cancelled my tickets and offered me some so-called pool tickets, which I refused to take.

Is not that a most outlandish thing for any elevator company to do, deliberately to cancel this man's tickets?

Mr. DUNNING: May I point out that while that is outlandish, the first outlandish thing that happened in connection with that case was that the farmer did not take his tickets when he delivered the grain, but left them in charge of the elevator operator—a most foolish thing to do.

Mr. GARLAND (Bow River): But very commonly done.

Mr. DUNNING: Unfortunately, yes.

Mr. GARLAND (Bow River): Unfortunately, I agree.

Mr. COOTE: May I interject that this man was very busy running a threshing outfit? I hope that we shall be able to get these elevators run in such a way that if a man does neglect to come in for his tickets for a few weeks, the tickets will still be there and the elevator company will not dare to cancel them and issue new ones.

Mr. DUNNING: You cannot depend on that under any administration.

Mr. COOTE: Mr. Randle continues:

There is about two thousand bushels more of my wheat in the Bawlf elevator at High River.

May I pause to point this out: If the board had taken prompt action in this case, the next car might have been shipped to the pool terminal. Mr. Randle's letter continues:

Now when I sent you that wire I was under the impression that as an individual I had some rights under the Canada Grain Act, and

that the Board of Grain Commissioners were appointed to help enforce, impartially, the rights of the Canada Grain Act, but it seems I was completely mistaken. According to the way the line companies are acting with the farmers we have no rights or title to our grain all because we have signed a pool contract, and I have also learned that the decisions and commands of the Board of Grain Commissioners have been disregarded and ignored by some of these same grain companies.

As I said in my wire, I would like to have my original storage tickets in my own name, and if I have no right left to me, to have my own tickets and to bill out my own grain, I sure want to know it, so I may be able to act accordingly at any future time.

It is not to be wondered at that this man, after waiting for sixteen days, would like to know whether he had any rights or not.

Mr. HAY: Would there not be a pool ticket issued for the grain, and should not the pool direct the shipment of the grain rather than the farmer?

Mr. GARLAND (Bow River): No.

Mr. HAY: He says he joined the pool.

Mr. COOTE: This man delivered wheat to the pool before he was a member of the pool, and certain tickets were issued to him.

Mr. HAY: Would not the elevator company be bound to take the pool's instructions rather than instructions from the farmer?

Mr. COOTE: They had already issued a ticket for this grain. By what right could the elevator company officials tear up the man's ticket and write other tickets?

Mr. HAY: They could take instructions from the pool.

Mr. COOTE: They had no such instructions. The next communication is in the form of a letter from the Board of Grain Commissioners at Fort William to Mr. Randle at High River. It is a circular letter that, I think, was sent to every farmer who had had difficulties of this nature with the grain company. The letter reads in part:

Many informal investigations and numerous conferences were held by the board with interested country elevator companies with the hope that the elevator companies would honour the tickets issued by them in the name of the individual by shipping the grain to the terminal elevator designated by the holder of the tickets in accordance with the provisions of section 150 of the Canada Grain Act. However on discussing these particular complaints with the elevator companies it is pointed out by them that although tickets were issued to the farmer in his own name it was subsequently discovered that the farmer is a pool member and in view of certain contracts which had been entered into between the grower, and the pool, and the elevator companies and the pool, they are justified in treating the grain delivered by you as pool grain and under the terms of their contract with the pool they have the right to ship such pool grain to their own terminal elevator.

The board do not interpret the contract; they state the objection of the company.

As it now appears that the board is unable to obtain an amicable adjustment of the complaints filed with the board without the necessity of holding a formal investigation as required under the provisions of the "Canada Grain Act", it has been decided to hold such an investigation of a specific complaint, upon completion of which the board will then be in a position to decide, in view of all the circumstances connected with this matter, what further proceedings may be taken to determine whether the holder of tickets issued in his own name has the right to ship his grain to a terminal elevator selected by him in accordance with section 150 of the Canada Grain Act.

That is a very strange attitude for the board to take—to find out whether parliament meant what it said. On December 3, a long while after Mr. Randle made his complaint, the board wrote to him suggesting that if he wanted his claim further investigated he should file an affidavit as required by the Canada Grain Act. Then we find the affidavit submitted by Mr. Randle. It is dated December 13, 1928. It is a statutory declaration setting forth the steps which Mr. Randle took in connection with this grain, and with the consent of the house I will place it on Hansard. The information is practically the same as that contained in his first letter to the board. This is the affidavit:

Canada, Province of Alberta, to Wit:

In the matter of the "Canada Grain Act" and in the matter of complaint by George E. Randle of the town of High River, in the province of Albert, farmer, pursuant to the said "Canada Grain Act" and sections 108 and 166, thereof.

I, George E. Randle, of the town of High River, in the province of Alberta, "Farmer", make oath and say:

1. That I am the complainant herein.

2. I delivered about three thousand (3,000) bushels of wheat to the Bawlf Grain Company's elevator at High River. I was busy in the field running a threshing outfit, and this grain was delivered by truck, and I was never into the elevator until the day when a carload of this grain was loaded out, car C.P. 139312. I was not a member of the wheat pool when this grain was delivered to the Bawlf Grain Company, but there were no cars to load for some time and the truck was delivering wheat to the pool elevator and I did sign a pool contract a few days before this car was loaded. I never received nor saw any tickets for this grain.

3. The elevator man told me they were special bin tickets in the name of George E. Randle. I had told this man that I was going to sell this grain. The day he loaded a car I sent my father-in-law, a Mr. Bower, over to the elevator with a signed cheque to pay the charges, and to instruct the elevator man to bill this

car to the pool terminal at Vancouver. He refused to do so. I then went over and took a Mr. A. L. Clemens as a witness.

4. I asked the elevator agent why he did not bill the car to Vancouver. He flew into a rage and said he did not want me coming around there trying to run their business, and also that they did not want any more of my grain to handle, so I asked him for my tickets. He said he had cancelled my tickets and he offered me some "so-called" pool tickets, which I refused to take. He billed the car out and I understand it was unloaded in the government elevator in Calgary.

5. I do not know what they have done with the balance of my wheat when the settlement for this car No. 139312 came to High River, this elevator agent goes and deposits it in the bank to my credit, and they charge me eighty-nine (89) cents remittance.

6. Now I deposit all my grain cheques in a Calgary bank. The Alberta pool make all payments at par in Calgary.

7. The Bawlf agent in Calgary refuses to refund this charge.

8. I wish steps to be taken through you or otherwise to have this car of wheat in the government elevator diverted to the pool terminal at Vancouver, also to instruct or require the Bawlf Grain Company to make the initial payments at par in Calgary to me.

Swern before me at the city of Calgary, in the province of Alberta, this thirteenth day of December, A.D. 1928.

Signed—Geo. E. Randle.

(Signed) J. C. Brokovski,
A Notary Public.

The Board of Grain Commissioners forwarded a copy of this affidavit to the Bawlf Grain Company and requested a reply. The reply of the company to the board is as follows:

Calgary, December 21, 1928.

Replying to your favour of December 15 regarding a declaration filed by Mr. George E. Randle, of High River, we have investigated this case and have the following to report:

Mr. Randle delivered his grain to our elevator as non-pool wheat, and after it had been stored for some time he decided to join the pool, without notifying us to this effect, which is contrary to clause 21 of our agreement with the pool,—

Contrary to clause 21 of their agreement with the pool that George Randle did not advise the elevator company he had joined the pool. The letter continues:

—as had we known that this wheat was to be shipped to the pool we would have issued the regulation pool ticket in the first place.

I should like to know what the regulation pool ticket is.

As Mr. Randle then refused to accept tickets which were offered him, his wheat was shipped out and handled in the regular manner.

The stand which we take in this matter is that Mr. Randle would not have the right to change the status of his wheat without first giving us a chance to change the class of tickets which had been issued against this grain any more than he would have the right to demand one northern graded storage tickets for grain after we had stored same, for instance, as three northern.

That, Mr. Speaker, is the most colossal piece of nerve on the part of an elevator company that I have ever witnessed.

We will be glad to have you advise us on this matter, stating as to whether or not in your opinion this grain was handled according to the proper procedure.

On January 9, nearly three months after Mr. Randle had sent his wire to the board, they wrote to him the following letter, of which I will omit the first paragraph as it contains nothing of importance:

Mr. W. R. Bawlf, president of the N. Bawlf Grain Company, Ltd., interviewed the board yesterday and was advised that in the opinion of the board, as their agent issued storage tickets in your own name, you had the right to give shipping instructions which should be carried out. Mr. Bawlf, however, pointed out to the board that according to instructions received from the Alberta Cooperative Wheat Producers, Ltd., they were compelled to ship all pool grain to Fort William or to the Canadian government elevators at Calgary and Edmonton. He further stated that at the time your grain was shipped to Calgary it was impossible for you to obtain permits. Under these circumstances Mr. Bawlf has instructed their Calgary office to interview representatives of the Alberta Cooperative Wheat Producers, Ltd., with a view of determining whether under these circumstances your grain should not be shipped in accordance with the instructions received from the general manager of the Alberta Cooperative Wheat Producers, Ltd. Immediately Mr. Bawlf receives a report from his Calgary office as to the result of the interview with the Alberta pool he will advise the board, when they will be glad to communicate with you further in connection with this matter.

I do not know, Mr. Speaker, whether there is any further correspondence between these interested parties; I have not been able to find any on this file. The net result is that after almost three months the board decided that Mr. Randle should have been allowed to name the terminal to which his grain would be shipped; but that does not seem to help Mr. Randle very much.

In my opinion the case boils down to this. What use is the Canada Grain Act to the farmers of western Canada if we have not the right kind of men on the grain board to enforce its provisions? The present board has, I think, made scarcely any effort to enforce the penalties on companies for disobeying the shipping instructions of these men. In almost every case on this file when the men had the regular ticket, after they filed affidavits the company settled with them, or at any rate the board told the companies that

they should obey the shipping instructions; but in nearly every case that was too late to secure redress. It may be that we need some amendments to the act, but these cases certainly point to the need of a larger board. I think it should be composed of five commissioners.

I think the resolution which we are discussing is not complete. Several suggestions have been made, and some hon. members have expressed a wish to enlarge the referenec to the agriculture committee to allow investigation of the administration of the Canada Grain Act. To-day I spent considerable time endeavouring to frame an amendment that would effect this purpose and yet be in order. I hope the hon. member for Melfort (Mr. McLean) will not think I am attempting to forestall him in presenting this amendment. I beg to move, seconded by the hon. member for Camrose (Mr. Lucas), that the following words be added at the end of the question:

on condition that the said committee be hereby given power to investigate the whole administration of the Canada Grain Act.

Mr. DUNNING: Carried.

Mr. J. L. BROWN (Lisgar): I shall not take up much time, because in my judgment this matter would have been better dealt with by the committee before this long discussion was entered upon. However, there is a possibility that if the farmer members of Manitoba remained silent at this juncture their silence would be misconstrued. I am in full sympathy with any movement that has been made or can be made to improve the condition of the wheat producers. Perhaps longer than any other member of this house, not even excepting the Minister of Agriculture (Mr. Motherwell), I have been associated with movements for the benefit of the farmers.

Mr. FORKE: Question.

Mr. BROWN: Well, as long ago as 1884 I was connected with the organization which then undertook to remedy grievances that existed in the grain trade, and from then down to the present time, with the exception of a very few years, I have been in close touch with the farmers' organization. I make this statement because the impression might go abroad that we from Manitoba have not been as anxious in some of these matters as the representatives of other provinces.

The statement has been made that this is one of the most important questions that have been brought to the house. That is true. The statement has been made also that the western farmers are greatly excited in this matter. Possibly that also is true. It is not to be wondered at that they are excited, that the heather is on fire, in view of many speeches that have been made and such extreme statements advanced as those we have heard from the hon. member for Kindersley (Mr. Carmichael) this afternoon. Perhaps it might be just as well to say this: that we who have been posing as leaders in the farm movement ought to be reasonably moderate in our statements and to make sure that at least they approximate to the facts. I do not know that I have ever heard a more absurd statement than the statement that the farmers of the western provinces lost $175,000,000 in their wheat crop in the past year because of weaknesses in the grading system. I do not propose to discuss the particular grievances of which the farmers are complaining. The first occasion on which this matter was brought to my attention—that is, the demand for the discharge of the grain commissioners—was at a United Farmers of Manitoba convention in Brandon this winter. I happened to be on the resolutions committee, and while we were preparing resolutions for the convention we received one asking for the dismissal of the grain commission. I intimidated to some of those who were with me on the committee that I should probably have to oppose it. That was carried to the president of the Manitoba wheat pool, who came to me afterwards and said, "I understand you are opposed to that resolution." I replied, "I am not necessarily opposed to it, but I do want evidence as to why they should be dismissed, and if such evidence is not forthcoming at the convention I shall certainly oppose the resolution." The resolution was introduced on the floor of the convention and neither the mover nor the seconder offered the slightest reason why the commission should be dismissed. All that was said was that the Board of Grain Commissioners had lost the confidence of the farmers; but nothing else was said that would warrant the convention in taking a step of that kind. And I am still in the same position: I want evidence given to show why the board should be dealt with in that drastic manner. Now I submit that this evidence would properly be given before the committee on agriculture. When the resolution came before the convention I quite naturally opposed it for the reasons I have stated; and when this committee meets, as it will meet, we shall expect that evidence to be adduced. And upon that evidence we will take action.

I am satisfied that the board is not above criticism in this matter, but at the same time it would be well for us to consider the ques-

tion calmly and judicially, and not in a spirit of hysteria; and when we meet and receive the evidence we shall act accordingly. In the meantime I am heartily in favour of accepting the report of the committee, as moved by the chairman of that committee, and heartily in favour also of having added to it the words that have been proposed by the hon. member for Macleod (Mr. Coote). Indeed, had he not moved the amendment in the words he has submitted, I had the very same words under my hand and intended to move the amendment. I still hold that the cause would have been better served had we deferred this discussion and taken action in the committee. Had we done so, we might have saved time and advanced the cause better than we have done so far.

Mr. W. R. FANSHER (Last Mountain): It is not necessary for any member to apologize for taking up a few minutes of the time of the house to discuss this question. When we realize that the grain trade of western Canada amounts in the aggregate to approximately three-quarters of a billion, it means something to the other industries throughout the rest of Canada.

A great deal of technical evidence has been given us by different members who have participated in the debate and it will not be necessary for me to go into that phase of the situation. But some remarks have been made which probably deserve a little more than passing attention. Yesterday, speaking in the house, the hon. member for Qu'Appelle (Mr. Millar) had the idea that if we as westerners were demanding the recall or dismissal of the Board of Grain Commissioners, the directors of the pool should also be requested to resign. I inferred from his remarks that he was implicating the directors of the pool through the contract which they were able to make with the grain trade, as we call it. It has been said time and time again that the board have a particular function to perform. Their appointment, as set out in the Canada Grain Act, requires that they shall see that the provisions of that act are carried into effect. We have had a great deal of substantial evidence brought before us to the effect that they have been very neglectful of their duties, and because of that and because they have completely lost confidence of the people of the west, the demand for their recall or dismissal has been made.

I cannot understand why any part of a contract with an organization which may have been set up by the farmers to market their wheat should be said by any member of this house to be connected with the administration of the Canada Grain Act. The interjection of that argument into the debate brings about a peculiar situation which should be cleared up. It is generally supposed when this argument is advanced that a contract between the grain trade and the pool overrides a contract which the ordinary wheat producer has signed, called a pool contract. Both these contracts state very plainly that notwithstanding any of the provisions of the contract nothing shall interfere with the rights of the grower as set forth in the act, and I think it has been amply proven by different speakers that the grain act does give the farmer the right to determine the destination of his own grain. I will read part of clause 15 of the contract made between the pool and the grain trade:

> The pool agrees that all pool grain of whatever class, forwarded to terminal points shall be handled through any elevator the company desires: Provided that nothing in this clause contained shall take away from the grower any rights he may now have under the Canada Grain Act.

Then it goes on to state the charges. That clause was inserted by the grain trade for the express purpose of handling street grain; there was no other way in which they could handle that grain, but the grain act specifically sets forth that a farmer or a producer of wheat who has a carload lot is entitled to demand the delivery of that wheat in a car at that elevator, and he can determine the destination of that car; he can determine to which terminal elevator that car shall be shipped. Now I want to read clause 5 of the pool contract, which will show exactly when the grain becomes the property of the pool and when the farmer gives up his right to determine what shall become of that grain. Clause 5 is as follows:

> Wheat shall be deemed to be delivered to the association within the meaning of this contract so as to render the association accountable therefor only when the storage tickets, bills of lading, warehouse receipts, shipping bills therefor or other documents of or evidencing title thereto shall have been transferred and delivered, properly endorsed by the grower to the association.

I think that sets out fully the situation which has been somewhat beclouded here by some of the speakers.

Mr. ADSHEAD: Then it follows that although a man has a pool contract his wheat does not go to the pool unless he endorses the ticket?

Mr. FANSHER (Last Mountain): It resolves itself into this: If I wish to put my wheat through what we call a line elevator at the initial point, according to the grain

act I have the right to demand delivery of that wheat in a car on track. When that wheat is delivered in the car on track the bill of lading is made out in my name; I have the privilege of endorsing that bill of lading back to the line elevator company, if I wish, or to the pool elevator or to any commission firm; I have complete control of that bill of lading and of the tickets which are issued. It cannot be contradicted that clause 5 of the grower's contract is the clause under which he has that right which has been disputed by some hon. members of this house.

Now I wish for a moment to direct attention to some remarks which have been made with reference to drawing the members of the Board of Grain Commissioners into this debate in a personal way. I can assure hon. members that it is not now and never has been my intention in discussing this subject to refer to the grain commissioners in a personal way. I do not think it was the intention of any hon. member to question the honesty of this board, but we seriously question whether they have been fulfilling the office to which they have been appointed. They have not been functioning as they were intended to function and as they have functioned in previous years. The hon. member for Macleod (Mr. Coote), the hon. member for Mackenzie (Mr. Campbell), and others have quoted from returns to this house in order to show that in some cases thirty days have elapsed before any action has been taken when action was demanded. I may have a good piece of machinery; I may have had it for a number of years. If it becomes worn out and does not fill the bill I do not take it to pieces and say this part is no good or that part is no good; the machine simply does not fill the bill. I need a new machine, and that is what we are demanding now. In connection with the marketing of our next crop we want something in which we will have more confidence.

There was a suggestion made by the hon. member for South Battleford (Mr. Vallance), that we needed a new government department, but with that suggestion I cannot agree; it seems to me that we have enough ministers in the government now to carry into effect all the legislation passed by this house. But there is a demand that the Board of Grain Commissioners be enlarged because of the changed conditions in western Canada. A very much larger area has been brought under cultivation in recent years, and I heartily agree with the resolutions which have been read in this house and with the demands made by other hon. members that the membership of the board be increased to five and that they be distributed over the various provinces interested in this trade. We have heard read the resolutions passed by the United Farmers of Canada, Saskatchewan section, and the United Farmers of Alberta, and it is not necessary for me to read them again. I also have in my hand a similar resolution from the Canadian Council of Agriculture, which I received only to-day, demanding that the present board be replaced by a new board of five members.

The Minister of Railways (Mr. Dunning) this afternoon discussed the question of mixing. If I understood him correctly he suggested that mixing be stopped by law, and he also left the impression with the house that the western farmers were not unanimous and that they had arrived at no definite decision in regard to this question of mixing. Representatives of the three western pools appeared before the agriculture committee and presented to us a resolution which had been unanimously agreed to by the three organizations. This resolution covered the mixing of grain, and I believe the remedy they proposed for this evil is even better than the stopping of mixing by law. It has not been mentioned before, but there is a possibility of still skimming the grades even though we stop mixing by law. When samples had been taken and the wheat graded, any company would have an opportunity of looking it over and taking the low of that grade and designating it to certain terminals. It is quite true that this would have to be done under the jurisdiction of the Board of Grain Commissioners, and might not necessarily be mixed with other grades, but it would be the low of that particular grade. Other cars which were at the top of the grade could be put in other terminal elevators, and all the cars of the high of the grade could be segregated and put in another terminal elevator. The low of the grade would be setting the price of that particular grade, while the wheat which was at the top of the grade and worth more money could be offered at a premium, the same as premiums are being asked for at the present time. Those large organizations in western Canada, representative of the majority of the farmers of Alberta, Saskatchewan and Manitoba, were unanimous in their agreement of this particular measure being incorporated into the Canada Grain Act. They felt that it would effectively deal with the evil of mixing. They requested that the standards for outgoing cargoes be made up of 75 per cent of the Winnipeg averages—the average of the high and low of the grades going through

Winnipeg—and 25 per cent of the standard set up for the graders by the inspection department. It can be seen quite easily that a standard so set up would be so near the average of the grade that it would be practically impossible for any company, no matter how much they would desire, to flout that particular clause. If we had an efficient Board of Grain Commissioners it would be practically impossible for them to get a grade of wheat out of the terminal elevators which was below the average of the grades. In that way there would be a more even distribution of the price of the wheat, commensurate with the quality, back to the growers of the product. If we had the Winnipeg averages, as we call them, as a standard for the out-turn cargoes it might happen that, unless there was a certain leeway, it would be rather difficult to get out a wheat which was below the average of the grade going into any particular terminal elevator. In my opinion, it is necessary that there should be a slight leeway, and that leeway is supplied by the particular clause which the western organizations requested should be incorporated into the Canada Grain Act.

I have received a great many copies of the resolution which has been passed requesting that the administration of the Canada Grain Act be placed under the Department of Agriculture. That resolution does not cast any reflection upon the Department of Trade and Commerce, and it is not a personal matter so far as I am concerned. Many members of the house have attended the meetings of the agriculture committee and they have seen the work of some of the experts of the department in connection with the grading of grain. In every case where the grading of grain was under review, technical men of the Department of Agriculture were present. Mr. Newman, who followed Doctor Saunders, was present, along with other members of the department. We all know the wonderful work which Doctor Saunders performed. He gave us marquis wheat, which was one of the greatest wheats the world had ever known at that time. We have another wheat now, the garnet wheat, and it is meeting with some favour in the old country and on the continent. In order that this wheat may be put on the market in its proper form the Department of Agriculture, along with the Department of Trade and Commerce, is shipping to Europe some 10,000 bushels of it. Who will go over with that wheat to see that it is correctly milled and put on the market in the proper shape; to see that the bakers know how to handle it, and so on? It will be the technical men from the Department of Agriculture. When we desire information regarding the quality of wheat, the grading of wheat, milling and baking, and so on, where do we go? We go to the Department of Agriculture to obtain the advice of their technical men. It is true the Board of Grain Commissioners maintain a laboratory in Winnipeg where they have a chemist who can mill and bake, and so on. He is there for the guidance of the inspectors, because occasionally a certain wheat comes in and they want to know what it is, and that information can be secured readily through that laboratory. But when it comes to testing, the propagation of new brands of wheat, setting them out and giving them to the farmers to test, all this work comes under the Department of Agriculture, and because of that it seems to me that the only logical place for the administration of the Canada Grain Act is under the Department of Agriculture.

There is one thing more in connection with the grading of grain which I think should be mentioned in this debate. There is a need for considerably more specific knowledge in the setting of standards by the Standards Board. In my opinion, the visual grading of wheat has become obsolete, and when this matter comes before the committee it is my desire, and I am sure it is the desire of many of the members, that the committee should consider this question. When the Standards Board meet they should take into consideration the advisability of having milling and baking tests made before they finally set the standards of the grades.

There have been so many points brought out during the course of this debate that it is very difficult not to repeat some of the arguments which have already been put forward. But when it comes to the administration of the act I think we are all agreed that it is very important that that should be carried out in a proper manner. We may have an act which is as near being one hundred per cent perfect as it is humanly possible to make it, but if there is lax administration of the act, it renders it null and void.

I am pleased indeed to associate myself with the amendment which has been moved by the member for Macleod (Mr. Coote), and I hope the agriculture committee will give this matter their fullest consideration when it comes before them.

Mr. W. T. LUCAS (Camrose). Mr. Speaker, it is not my intention to detain the house at any considerable length, because this matter has been fairly well debated, but I should like to make a few remarks in order

to clear up one or two points. It has been stated on the other side quite frequently that the proper place to debate this question was in the committee. With that I am quite willing to agree, but the reason the question has been debated in the house is that we were not able to get the amendment moved by the hon. member for McLeod (Mr. Coote), dealing with administration, embodied in the report of the chairman of the committee to the house.

Mr. BROWN: Will the hon. member give the reasons why it was not embodied?

Mr. LUCAS: I will give this reason. We met in the committee one morning and spent the most of the session debating this very question of widening the reference to deal with the whole matter. A motion was first moved asking for a widening of the reference very much along the lines of the third report presented by the chairman of the agriculture committee. To that resolution was added an amendment asking that the word "administration" be included. That was passed by the committee at that sitting. Personally I have never heard any reason why that resolution as amended was not presented to the house.

Mr. BROWN: Was the reason not that the hon. member for Rosetown (Mr. Evans) would not withdraw his resolution?

Mr. LUCAS: I do not know why the chairman of the committee refused to bring before the house a motion that was passed by the committee instructing him to do so. I hope, however, that the amendment now before the house to have the order of reference amended will be accepted and we shall then be able to debate the question in the committee. The chairman of the committee agreed that we might discuss the question in the committee, but we were afraid that while we might discuss it to our heart's content, when we came to make the report to the house, we would not be able to make any recommendations regarding administration unless we had the word "administration" added to the reference.

In regard to the administration by the present board, the remarks I have to make are not to be taken personally. After coming to the house I met these men and, so far as I know them, they are all very fine men, but that in my opinion does not excuse them from not carrying out their official duties. When a farmer delivers a load of grain to the elevator he receives a receipt for it, and in order that there may be uniformity in those receipts and that every elevator may not provide a receipt of its own, the Canada Grain Act definitely lays down the form of receipt that shall be used. Moreover a penalty is attached for any violation of the form or the use of any other receipt. Section 225 of the Canada Grain Act reads:

> Every person who uses any form other than those in the first schedule to this act or those authorized by the board with the approval of the governor in council shall, in case any such forms are applicable, be guilty of an offence under this act, and shall be liable to a fine or forfeiture of license.

I have under my hand the orders in council and the recommendations to the governor in council asking for two changes in these forms, and while I have no particular complaint to make in regard to the changes that were asked for, I should like the house to pay particular attention to this important fact: On May 18, 1928, a letter was addressed to the Deputy Minister of Trade and Commerce and signed by the secretary of the Board of Grain Commissioners, as follows:

> Under the provisions of subsection 3 of section 170 of the Canada Grain Act, the board recommend for the approval of the governor in council, that the word "graded" be deleted from the first line of the "subject to inspector's grade and dockage" ticket, (which is designated B-1 on page 82 of the Canada Grain Act) for the reason that this form of receipt was never intended to be used as a graded storage receipt but simply as a receipt that grain, which was later to be subject to the inspector's grade and dockage, had been received into the elevator.

Note this part:

> As new supplies of tickets are about to be printed by country elevator companies, it would be appreciated if the minister would recommend this change to become effective as soon as possible.

On Friday, May 25, 1928, order in council P.C. 871 was passed, as follows:

> The Deputy of His Excellency the Governor General in Council, on the recommendation of the Minister of Trade and Commerce, and pursuant to the provisions of subsection 3 of section 170 of chapter 86, R.S.C. 1927 "An Act respecting Grain", is pleased to order that the word "graded" be, and it is hereby deleted from the first line of the "subject to inspector's grade and dockage" ticket, which is designated B-1 on page 82 of the said act; the Board of Grain Commissioners having reported that this form of receipt was never intended to be used as a graded storage ticket but simply as a receipt that grain which was later to be subject to the inspector's grade and dockage, had been received into the elevator.
>
> E. J. Lemaire,
> Clerk of the Privy Council.

The point I want to make is this: that the Board of Grain Commissioners found it necessary, in order to delete one word, to ask the governor in council to pass an order for that purpose. If that was necessary—

and the act states that the only way in which these tickets can be changed is by order in council on recommendation of the board—how in the name of common sense could the Board of Grain Commissioners, without getting an order in council, recognize a new form of ticket containing several additional words that meant a great deal to the producers of western Canada? That is a very important point to keep in mind. If the board found it necessary to have a new form of ticket along the line of what is known as the hybrid ticket, it was their duty so to recommend to the Minister of Trade and Commerce and to ask that the ticket be authorized by order in council. When they did not do so, and when they recognized the use of that ticket in the grain trade, to my mind they certainly violated their trust.

The farmers of western Canada are not asking for a board to give them any special favours, but they are asking that the Board of Grain Commissioners administer the law as they find it. If the law is not as it should be, then it is up to this parliament to change it, and in the meantime we expect the board to carry out the law as parliament lays it down.

While I am on my feet I should like to endorse the suggestion that has already been made with regard to transferring the administration of the Canada Grain Act from the Department of Trade and Commerce to that of Agriculture. I want to assure the hon. Minister of Trade and Commerce (Mr. Malcolm) that it is not that I do not feel he is thoroughly competent to administer his department, because in my opinion the Minister of Trade and Commerce is one of the most competent ministers on the other side of the house; but I believe that the Department of Agriculture is the one best fitted to administer this great business of handling our grain. Why should the most important product of the farm be administered under the Department of Trade and Commerce, when all the other products of the farm which enter into the trade and commerce of the country are administered under the Department of Agriculture? Take our dairy products, for instance. We have an exportable surplus of dairy products amounting to $40,000,000; meats and meat products, $61,338,000; poultry, $875,000; fruits, $5,683,000; potatoes, $7,338,000; or a grand total of exportable agricultural products of $115,234,000. All these products are graded, inspected and administered by the Department of Agriculture. I was particularly struck by this fact the other day in the agriculture committee where we had technical men from the Department of Agriculture before us dealing with such questions as the different varieties of wheat and the baking and milling qualities of wheat. We found that Mr. Newman, who is in charge of that work at the experimental farm, has been giving practically his whole time to the introduction of new varieties of wheat and the testing of them for milling qualities. He told us that he had been to Europe and called on various millers there; he follows the wheat from its growth in the soil right through to the milling end. All this work is done under the Department of Agriculture, which I believe is the proper department to undertake it. I hope that this question will be carefully gone into, and that politics will not enter into it at all, because it is a very important question and should be dealt with strictly on its merits. When the committee reports and brings in its recommendations I am sure that the house will pass them, and I hope that they will tend to bring about a more satisfactory condition in the production and marketing of our grain, which is the most important product produced in Canada.

Mr. MILLAR: May I ask the hon. member a question? With regard to his remarks as to the action of the chairman of the committee in failing to submit a motion prepared by the committee, is it not a fact that when the chairman reported back to the committee the reason he had failed to present that motion, and a new one was prepared, it passed the committee unanimously? Did not the hon. member for Bow River (Mr. Garland) ask most pointedly of the chairman whether he would or would not rule that an inquiry into the administration of the Canada Grain Act should be permitted under that new motion, and was not the answer in the affirmative? Was it not the understanding of all members of the committee that this matter would be wide open, and was not every member of the committee satisfied?

Mr. LUCAS: I think that what the hon. gentleman says is quite correct, but the fear in the minds of a great many members of the committee was that while we might be able—

Mr. DEPUTY SPEAKER: I would call the attention of the hon. member to the fact that in discussing what happened in the committee he is clearly out of order.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, while I have the right to speak on the amendment, I would not have taken the floor at this time but for an allegation made by the hon. member for Lisgar (Mr. Brown). It seems that he accuses me of some motive in not withdrawing the motion on the order

paper. I want to inform the hon. gentleman that I was never asked to withdraw it, and I had no motive in keeping it there. While I am on my feet, I wish to say that the government could have prevented this debate going on had they taken this corner of the house into their confidence.

Mr. MILLAR: Did not the hon. member for South Battleford (Mr. Vallance) ask the hon. member if he was willing to withdraw the motion?

Mr. EVANS: What goes on around the corridors or is whispered from one to another, I do not wish to recognize here. I was never asked by the committee to withdraw that motion. Had I been asked, I would have stated my reasons and would have expressed my willingness to do so. I had no motive in keeping the motion there. I wanted to do the very best thing. All I wanted was for the government to act, and they never said that they would act, and that is the reason the motion was placed on the order paper in the first place.

I wish to answer one or two statements that have been made by the hon. member for Qu'Appelle (Mr. Millar). He has stated that the pool was in favour of mixing. I do not think that the hon. gentleman can substantiate that statement. That the pool did mix I do not deny, but was the farmers' organization to send out grain in its purity when they would get nothing for that higher quality, because all the prices are based on the prices of the lowest grades for which any company can get a certificate? Would it be fair to ask the farmers' organization to ship that grain into the markets of the world at the same price as the grain companies and those who mix down to the very lowest point were getting?

Mr. MILLAR: Is it not a fact that Mr. Murray, one of the representatives of the pool, made the statement in the committee in 1925 that as a pool they were mixing, and did not want that privilege taken from them?

Mr. EVANS: Mr. Murray made the statement that he did not want that privilege taken from the pool because the others were allowed to mix; but had there been some guarantee that mixing would be stopped, the pool certainly would have stopped it. The pool never asked for it, and never did want it.

The hon. member for Qu'Appelle also made another statement on the same page of Hansard regarding the breaking of seals and the diversion of cars, and added, "I cannot see any illegality in it." Let me ask, why are cars sealed? Why even is a shipping bill used? Why does the railway company give a receipt for the contents of the car? Is it not for the reason that the shipper must have the assurance that the quantity and quality of the contents of the car shall be sent to its designated destination? It is done for no other reason, and we have a right to expect that.

Mr. MILLAR: Has not the railway company the right to break its own seals at any time it sees fit?

Mr. EVANS: They seal the car and give a receipt to the shipper, and no man has a right to break that seal until the car arrives at its destination.

The Minister of Railways this afternoon said there was some doubt whether or not the hybrid ticket, so-called, was illegal. I understood him to say that.

Mr. DUNNING: If my hon. friend will permit me, I did not state that as my own opinion. I did state that I expected the lawyers would do in regard to it the same as they did with respect to the old hybrid ticket; they would argue that the addition of those words did not constitute an illegal ticket. But I expressed my own opinion, as my hon. friend will remember I did in regard to the old ticket, that the addition of those words, or indeed of any words, is a contravention of the act.

Mr. EVANS: I should like to ask what, according to the Grain Act, legalizes the use of any ticket? Is it not this? First of all, the ticket must be approved by the Board of Grain Commissioners. In the next place, it must be also approved by order in council.

Mr. DUNNING: That is right.

Mr. BENNETT: Hear, hear.

Mr. EVANS: If there is any doubt as to the illegality of this ticket, will the minister say that the Board of Grain Commissioners authorized it, or was it approved by order in council?

Mr. DUNNING: No.

Mr. EVANS: I do not think he will.

Mr. DUNNING: Surely my hon. friend is not trying to quarrel with me? I refuse to dispute with him. I am in agreement with his view; not in opposition.

Mr. EVANS: But why cast any doubt on the illegality of the ticket?

Mr. DUNNING: I am not.

Mr. EVANS: There is only one way in which the ticket can be made legal, and that is by order in council. That is all I have to say.

Mr. JOHN VALLANCE (South Battleford): Mr. Chairman, may I ask the hon. member for Rosetown (Mr. Evans) a question?

Some hon. MEMBERS: No.

Mr. VALLANCE: Why not? I understand the hon. member for Rosetown stated that he was never asked to withdraw his motion. Did he make that statement?

Some hon. MEMBERS: Question.

Mr. VALLANCE: Mr. Speaker, am I in order?

Mr. DEPUTY SPEAKER: Order. The hon. member is quite within his rights. He spoke on the main motion; now he is entitled to speak on the amendment.

Mr. VALLANCE: I understand that the hon. member for Rosetown stated that he was never asked to withdraw his motion.

Mr. EVANS: By the committee.

Mr. VALLANCE: A sub-committee was appointed by the committee on agriculture. That sub-committee was composed of three members, the chairman, the hon. member for Last Mountain (Mr. Fansher) and myself. We discussed the possibility of both the member for Willow Bunch (Mr. Donnelly) and the member for Rosetown withdrawing their motions in order that we might ask for the enlargement of the scope of the committee's work. If the hon. member—

Mr. CAMPBELL: Mr. Speaker, I rise to a point of order. The hon. member is discussing the work of the committee.

Mr. DEPUTY SPEAKER: If the hon. gentleman is discussing the proceedings of the select standing committee on agriculture and colonization, he is out of order.

Mr. VALLANCE: I am not discussing the committee on agriculture, but the subcommittee. The hon. member for Rosetown was approached by the member for Willow Bunch and myself, after I had approached the latter and asked him to withdraw his motion. As I say, we approached the hon. member for Rosetown and asked him if he would withdraw his motion. So if he now states that he was never asked.

Some hon. MEMBERS: Order.

Mr. VALLANCE: While I do not wish to say that he is wrong, I have positive proof that he was asked to do so by the hon. member for Willow Bunch and myself.

[Mr. Dunning.]

Mr. SPENCER: Mr. Speaker, may I correct the statement made by the hon. member for South Battleford (Mr. Vallance)? The hon. member for Rosetown distinctly said that he was not asked by the committee on agriculture, and that any request made to him by individuals he did not consider seriously.

Mr. MILLAR: That was not his first statement.

Mr. DEPUTY SPEAKER: Order.

Mr. VALLANCE: The committee on agriculture appointed a subcommittee, composed of the chairman, the hon. member for Last Mountain and myself. As a member of that subcommittee I asked the hon. member for Rosetown—

Some hon. MEMBERS: Order.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I offer no apology for participating in this debate. No question more vital to the welfare of Canada can engage the attention of this parliament than the orderly marketing of the product which constitutes the greatest new wealth of this country from year to year.

The administration of the Grain Act is the most important matter concerning the marketing of wheat and grain at this time or at any other time since the act was passed. After listening to the observations that have been made by hon. gentlemen, principally from Saskatchewan, which is our largest wheat-producing province, it is quite apparent that there is a very grave state of affairs in that province with respect to the administration of the act. It is equally true with respect to Alberta and Manitoba, as hon. members from those provinces have made perfectly clear in their addresses during the course of this debate.

But to my amazement I find an endeavour being made by those who sit to the right of the Speaker to divest the government of all responsibility and to fix it upon the unfortunate commission; they are to be the scapegoats for this grave situation. My understanding of responsible government is that the government yonder must accept responsibility for the administration of the Grain Act. I think yesterday the hon. member for Bow River (Mr. Garland) suggested there might be some analogy between the grain commission and the railway commission. Let me point out that the railway commission is a court of record under the statute creating it, while the grain commission is merely a commission under the Department of Trade and Commerce of this government. One is a

court that is not responsible to the Minister of Railways (Mr. Dunning); the other is a commission over which the Minister of Trade and Commerce (Mr. Malcolm) is supposed to exercise jurisdiction and control, and to see that it properly functions in accordance with the provisions of the statute in that regard. And if it does not do so we will hold the government responsible for its failure.

There are two counts in the indictment made against this government. The first count is the inactivity of the grain commission; the second is that it has entirely failed to discharge its duties when called upon to do so. The one count is inactivity; the other inattention. It is suggested as a result of the indictment that the members of the grain commission should be removed. Now, Mr. Speaker, I do not propose for a single moment to discuss the question as to whether or not there is evidence upon which the grain commissioners should be removed. That is not my purpose at the moment. But I desire to read the section of the statute in that regard, in order that there may be no misapprehension as to what exactly is meant when hon. gentlemen ask for the removal of the present members of the board. Section four of the grain act provides that:

> There shall be a commission, to be known as the Board of Grain Commissioners for Canada, which shall consist of three commissioners appointed by the governor in council.
>
> Each commissioner shall hold office during good behaviour for a period of ten years from the date of his appointment, but he may be removed at any time by the governor in council for cause.

I need hardly say to this house that this means that the Governor General may, upon the report of the responsible minister—not remove those gentlemen, but remove them only for cause after they are afforded an opportunity to be heard in their own defence. That is elementary. The other day, it will be remembered, an injunction was granted by Mr. Justice Eve to restrain the Salvation Army Council from removing General Booth unless he was given an opportunity to be heard; and it is within the minds of most members of this house that only last year the Minister of Justice (Mr. Lapointe) issued a commission to deal with a judicial situation in Manitoba in order that the accused person might have an opportunity to be heard. Where an appointment is made by the governor in council for a period of years, and that period has not elapsed, the incumbent may indeed be removed, but only in the terms of the statute for cause; and that cause must be established before the tribunal that hears the evidence when the accused have an opportunity to state their defence. This House of Commons is not the place in which that matter can be determined. We may indeed discuss it, but these gentlemen cannot make their defence, and I do not propose to-night to enter into any consideration as to whether or not they have violated the conditions under which they hold office, or whether or not they have made themselves liable to dismissal. I do not propose to discuss that question. But I say that the committee on agriculture is not the committee to hear that complaint, because it is a committee set up by this parliament. It is for the governor in council to set up a tribunal which will hear and adjudicate upon the charges made against these gentlemen, and then they may have an opportunity to be heard—that opportunity which is the right of every person who is charged with the commission of any offence under our statutes, whoever he may be.

I repeat, therefore, that I do not intend in any sense to discuss the question whether or not they have, for the reasons given in this house, made themselves liable to be dismissed. That is a matter that must be determined by the administration, and this house will hold the government responsible for such action as it may take. I need hardly say further that this is a case in which a grave reflection has been made against a member of the administration. It is in essence the statement that the Minister of Trade and Commerce of this country (Mr. Malcolm), is unfit to discharge the duties of his office. It is a charge which is supported to-day, with a wealth of authority, by the hon. member for Melfort (Mr. McLean), who closed his illuminating observations by contending that the matter should be taken entirely out of the hands of the Minister of Trade and Commerce and handed over to the benign influence of the Minister of Agriculture (Mr. Motherwell). I have no doubt that those who sit to my left—

Mr. McLEAN (Melfort): I know the leader of the opposition does not wish to misquote me. It was not for that reason at all—that the Minister of Trade and Commerce was unfit to hold his high office—that the suggestion was made.

Mr. BENNETT: I am glad that it was not because of the benign influence of the Minister of Agriculture that it was suggested that he should take charge of the matter; because those who hear the calm, judicial way in which he disposes of every question —"What are you going to say about it?"—

can understand how greatly conditions would be improved if the administration of the grain act were left to the Minister of Agriculture rather than to his colleague. But, sir, there is a much more serious matter involved. A minister of the crown is charged here in terms, by name, as having been derelict in his duty, as having neglected to discharge the obligations of his office and to look after his department as he should; and I say to this house that it is perfectly clear that what the gentleman had in mind when they made that representation was what transpired when the customs inquiry was instituted to determine the culpability of the government with respect to the administration of the Customs Act. It will be in the memory of most honourable members of this house that the report of the committee which investigated matters in relation to the Department of National Revenue was amended and adopted by this house by a majority of ten. The resolution, which in terms censured the administration, disclosed that:

> Ministerial action has been influenced by the improper pressure of political associates and friends of the minister, or acting minister, administering the department...

And, further that:

> The Prime minister and the government had knowledge for some considerable time of the rapid degeneration of the Department of Customs and Excise, and their failure to take prompt and effective remedial action is wholly indefensible.

These words have indeed a deep significance in relation to the matter now under discussion by this house. It has been charged in this chamber, by gentlemen who produce evidence to support their contention, that the grain act has been interfered with by the action of the governor in council in approving of a certain form of ticket, and by the elevator companies, without the approval of the governor in council, utilizing a certain form of ticket to the injury of the farmers of the west. These charges have been abundantly substantiated and supported. And, what is more, it is shown that great loss has ensued. It is perfectly clear that in May, 1927—bear in mind the month and the year—the governor in council, on the recommendation of the Minister of Trade and Commerce, gave his approval to a form of grain ticket, which grain ticket is not in accordance with the provisions of the statutes of Canada in that regard.

Mr. MALCOLM: That has not been shown.

Mr. BENNETT: Well, I have the ticket and I have the statute. However, since the minister suggests that it has not been shown I will show it to him now so that he may have no doubt as to the accuracy of what I am saying. I suggest that he turn to the grain act and look at form B1, which is printed at page 1970 of volume II of the revised statutes of Canada. There he will find that the ticket begins in these words:

> Received into store from . . . . bushels . . . . pounds . . . . subject to inspector's grade and dockage.

And the ticket that was approved provides this:

> Received into store from . . . . subject to inspector's grade and dockage . . . . on account of—

—naming one of the pools.

Mr. MALCOLM: No; that ticket was not approved.

Mr. BENNETT: The substance of that ticket was approved in the first instance, and this is the ticket from which I am reading. There are two tickets now; let us have no misunderstanding. The Minister of Railways (Mr. Dunning) shakes his head. In May 1927 a certain form of ticket was approved. That form contained the provisions as set out in the statute. The minister will find, at page 1971, that these words occur:

> Will be delivered, within the time prescribed by law, to the person above named or his order.

Those are not the words that appear in the approved ticket. That is point No. 1. No. 2 is that the grain elevators, instead of relying upon that ticket, changed the ticket to read as I read it a moment ago—the form of ticket to which I alluded, containing the names of the pools of the various provinces. That is beyond peradventure the fact. Now, sir, I ask you this question: is it not within the knowledge of this house that in October of that very year 1927—October, mark you—a complaint was made to the administration with respect to the kind of ticket that was being used. That was stated the other day in the committee on agriculture from which this reference comes. So that as long ago as October 1927 this administration had knowledge of the fact that the grain business of the country was being transacted in a manner and form contrary to the provisions of the statute in that behalf, and that loss of money to the farmers was being incurred. I now ask the Minister of Trade and Commerce: What did he do about it? What did the grain board do about it? And remember that, as the hon. member for Rosetown (Mr. Evans) has said, no ticket was valid unless approved by the governor in council. When, therefore, it came to the knowledge of this government

—and it did come to their knowledge, as was shown in the committee—that that ticket was being used, why did not the government take action? Why did not the minister do something to protect the growers and producers of this country in order that they might secure the benefit of the statute in the form in which it now stands? The Minister of Trade and Commerce might say, "I was new to the department, I was feeling my way and gathering information as I went." But that excuse is not open to him. We heard this afternoon from his colleague the Minister of Railways, who observed that he probably knew more about the grain business than any other member of the house—a statement with which most of us will agree. Then why did he not tell his colleagues about it instead of telling parliament now? That is the point.

Mr. DUNNING: It is only fair to myself and my colleague to say that on the occasion when he learned of this practice and consulted me about it, I advised him to the best of my ability and along the lines my hon. friend is now contending, which reseulted in the telegram which the hon. member for Bow River (Mr. Garland) was generous enough to read.

Mr. BENNETT: That was on January 17, 1929. But what happened in between?

Mr. DUNNING: It was the first I knew about it.

Mr. BENNETT: The Minister of Railways says it was the first he knew about it. But in the meantime he made journeys to the west and he was aware of the condition; he knew the feeling of the people with respect to that form of grain ticket. He knew it, and so did the Minister of Agriculture whom my hon. friend from Melfort is now going to promote. They both knew about it because they were journeying to and fro. The expense account with respect to private cars shows that, if nothing else does. Then I say, sir, that if these gentlemen, with the knowledge they have and which they have had, as they will not deny, had made the speeches to one another which they made in this house this afternoon, this trouble would have been remedied and the difficulty would not have occurred. If in 1927 the Minister of Railways and Canals had told his colleague the Minister of Trade and Commerce what he told the house this afternoon, do you think this could have continued? Certainly it could not. Then why this exhibition of knowledge this afternoon in this house when it might have been made quietly and directly to his colleague and the injury remedied?

Mr. DUNNING: Surely my hon. friend does not dispute my word when I say that my first knowlerge of the use of the words complained of was when the Minister of Trade and Commerce came to consult me about the matter, and to the best of my recollection that was during this winter.

Mr. BENNETT: That makes it worse than ever. In the winter of this year the Minister of Railways and Canals heard that the words complained of were inserted in the ticket without the authority of the government. The Minister of Railways and Canals is a very astute gentleman; I am bound to accept his statement and his recollection of the facts, but all I can say is that in the province of Saskatchewan he heard many things much more clearly which he should not have heard and failed to hear the things he should have heard. That is all I can say in relation to that matter, but I fancy most members of this house must be struck with the fact that with two members of the government from Saskatchewan, a gentleman from Ontario administering the statute which comes within his department looking to them for guidance, for wisdom and for the assistance that one colleague would expect from another, finds one silent and the other blind. That is an amazing state of affairs.

Mr. DONNELLY: May I ask my hon. friend a question? As a representative from western Canada did he hear anything in the west in regard to this hybrid ticket?

Mr. BENNETT: I may say to the hon gentleman, in answer to his inquiry, that I certainly did hear that it was the subject matter of much discussion, and until I came to Ottawa I assumed that the ticket had been approved by the governor in council or it would not have been used. That is what I assumed, and my hon. friend from Vancouver Centre (Mr. Stevens) tells me he heard of it also. Is it possible that only those who should not hear do hear and that those who should hear are deaf?

Mr. DONNELLY: May I ask what time my hon. friend heard of it?

Mr. BENNETT: I am sorry I cannot fix the exact hour and second to gratify the very laudable curiosity of the medical gentleman, but I am satisfied that his diagnosis of the situation will not be assisted by any knowledge he might obtain in that regard; in fact I am quire certain that his diagnosis would entirely coincide with that of his colleagues and of those gentlemen who sit to the right

of the Speaker, who are so anxious to divest themselves of responsibility as far as the government is concerned and place it upon the poor unfortunate grain commission while they avail themselves of the attacks made by the gentlemen who sit to my left.

Mr. DONNELLY: My conviction is that you did not hear of it until last fall.

Mr. BENNETT: Mr. Speaker, while the hon. gentleman, if he were amenable to the rules of this house, would have remained in his place and withdrawn that observation, he has indicated his training sufficiently by escaping from it. It is unnecessary to say that that form of tactics is not unknown but is rarely practised in parliament.

Mr. DONNELLY: I beg my hon. friend's pardon; I was just returning to my own seat.

Mr. BENNETT: The hon. member for Willow Bunch (Mr. Donnelly) was not the gentleman to whom I referred at the moment. He was just getting to his own seat; I am glad he succeeded in getting there, and I trust that the hon. gentleman, having arrived at his seat, will now conform to the rules of parliament and be the honourable gentleman I know he is and withdraw the observations he made. I would ask you, Mr. Speaker, to exercise the power which rests in you as the chief commoner of this country, and see that this is done.

Mr. DONNELLY: I understood the hon. gentleman to say that after I made a remark I withdrew from the house; I only withdrew in order to reach my own seat. Perhaps I misunderstood him.

Mr. DUNNING: What remark should be withdrawn?

Mr. BENNETT: The hon. gentleman says I told an untruth, that his conviction was that I did not hear of it until this fall.

Mr. DUNNING: On the point of order, with all due deference to my hon. friend I did not gather that he made any statement as to the time at which he heard the news in question, and I understood my hon. friend from Willow Bunch to say that it was his belief that the leader of the opposition had heard it last fall. Is there anything wrong in that?

Mr. STEVENS: He must accept the statement which was made.

Mr. DUNNING: If a statement to the contrary is made he must accept it, of course.

Mr. BENNETT: The apology made by the Minister of Railways and Canals for his dutiful supporter from Willow Bunch does credit to his desire to protect him and is in keeping with the tactics resorted to by the hon. gentleman himself. So we will leave it at that; I am perfectly content that the ideas of parliamentary decorum are being observed, and I have nothing further to say. The honour of parliament is in the hands of the Speaker and of the administration, not in mine; for the moment the leadership of the house apparently is in the hands of the Minister of Railways and Canals and so we will leave it at that.

However, Mr. Speaker, I was suggesting that it would be highly desirable for one who is so experienced in the working of the grain act as was indicated by the Minister of Railways this afternoon, one who proudly boasts of his wide experience in the co-operative field as manager, director and otherwise, instead of making his speeches in parliament and railing against those who are endeavouring to place their position before this country fairly, to direct his attention to his colleague who, under the law, is responsible for the administration of that act.

So it appears that there is only one excuse, only one suggestion that possibly can be made in this respect; it now appears that there is to be a great contest as to who is to administer this act. Whether or not the contest is for the purpose of insuring the orderly marketing of grain or the orderly securing of votes does not yet appear; whether or not it is to be for the purpose of advancing the interests of the Minister of Railways, the Minister of Agriculture or the Minister of Trade and Commerce, who happens to reside in eastern Canada, has not been determined, but from the observations made this afternoon by the hon. member for Melfort (Mr. McLean) it is quite apparent he is all for the Department of Agriculture because they grow wheat. It might be equally true that there are those who sit opposite who are for the Minister of Railways and Canals because he has an elevator at Port Colborne and because he has to do with the transportation of grain. In the meantime the Minister of Trade and Commerce is to be left out in the cold, and someone else is to take from him the powers he has heretofore exercised because he has not done so in such a way as to be able to satisfy the claims of the hon. gentlemen who have spoken. That is the position at the moment, and it does indeed throw a very great illumination upon the situation as a whole; it shows that in this contest for power and control the interest of

the producer has been forgotten; it shows that the only concern in the minds of hon. gentlemen is whether the Department of Agriculture, the Department of Railways and Canals or the Department of Trade and Commerce shall undertake the administration of this act.

That is the position at the moment, and in the meantime orders in council are being violated and there is no complaint; the provisions of the grain act are being laughed at and no one is concerned; the committee on agriculture and colonization has been considering many phases of this matter from several standpoints, but now the whole concern is who is to administer the act. Well, Mr. Speaker, this is not exactly the spectacle one would expect to see; it is not exactly the reason one would expect to be given in answer to the charges which have been made.

As I said before, I am not going to discuss the question of the responsibility of the grain commissioners; they must have a chance to be heard. However, I will say that it is perfectly apparent to anyone who has listened to this debate for the last two days, as I have, that any agreement which might be made between the pools and their customers cannot possibly affect the administration of that act. It is equally clear that any agreement which might be made between the line elevators and the pool cannot affect the administration of that act. It is equally clear that it is the duty of the minister to see that that act is administered, and if he fails—he fails if his commission fails—the government fails. In the telegram he sent he gave his benediction and approval of certain actions which the board was about to take, and he spoke of the board as being one over which he had power and control. The very essence of it, as distinguished from the railway board, is that one is a court and the other is not. One is a body which merely administers certain statutory provisions; the other is a court charged with certain duties and responsibilities which it must administer as a court and not otherwise. These distinctions are clear.

I will not labour the matter further, except to direct the attention of the house to the fact that this is a much graver situation than some of the hon. members would seem to think. It involves the failure of a minister, charged by some of his own supporters with unfitness, to discharge his duties. It is a case of ministerial responsibility. It is something more than asking whether the law shall be administered under the control of the Minister of Agriculture, the Minister of Railways, or the Minister of Trade and Commerce. When this committee meets it will have to sit and hear evidence and determine whether or not this minister, who has been charged by his own supporters with unfitness, is indeed as unfit as has been alleged. One could not have listened to the defence which was made by the Minister of Railways, conversant as he is with the terms of the act, without realizing that he agreed at least in part with those who complain about the administration of the act. All I can say is this: When the proper tribunal is set up under the statutes for the purpose of hearing evidence and determining whether or not the grain commissioners have done their duty, they will have an opportunity to present their defence and it is not for me to prejudge them or to determine the truth or validity of the defence which they shall make.

It is an entirely mistaken idea to consider this matter as touching only western Canada. It is vital to every manufacturing interest in Quebec and Ontario; it touches the economic life of the whole of Canada, for if the grain crop does not bring the maximum sum it should to those who produce the grain, under the sanction and with the support and approval of the law, there is just that much less new wealth in this country for the purpose of keeping the factories busy and developing the trade and commerce of Canada. I have less knowledge of the technical side of this statute than those who have spoken, but I would venture to direct attention to what I conceive to be the questions which must be determined and settled. These questions involve the fitness, not of commissioners, but of a minister of the crown responsible to this parliament, and under him the right of the government to maintain office in face of the charges which are made by their own supporters against the administration of the Canada Grain Act.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I desire to address myself for a few moments to the amendment in order to correct, if possible, some of the statements which have been made by the hon. leader of the opposition (Mr. Bennett). He stated first that the speakers in this debate have unanimously condemned the administration of the grain act by the Minister of Trade and Commerce (Mr. Malcolm). I have paid very close attention to this debate and I think it has been plainly characterized by the universal expression of the view that the Minister of Trade and Commerce was not being charged as the leader of the opposition says he was. I do not recollect a single speech in this debate during

which any member charged the Minister of Trade and Commerce with dereliction of duty in the slightest degree, but I do recall that several speakers very specifically and generously accorded to the Minister of Trade and Commerce his due in that regard. My hon. friend was not generous enough to do that in his own remarks.

Mr. BENNETT: Mr. Speaker—

Mr. DUNNING: I desire an opportunity to answer.

Mr. BENNETT: Allow me to correct any misapprehension; I charge now that the responsibility rests with the minister, although the charge is against the commission. That is what I desire to make clear.

Mr. DUNNING: We will let Hansard speak for itself in the morning.

Mr. BENNETT: I say that.

Mr. DUNNING: The hon. gentleman asserted that members of this house had charged the minister with a dereliction of duty.

Mr. BENNETT: I say so, yes.

Mr. DUNNING: He used also a lot of other phrases, which we will all read and understand at the proper time.

The second statement to which I desire to direct attention was that I had boasted of knowing more about the grain business than any man in this house. I leave that to the members themselves who heard my remarks this afternoon, and who will also have the opportunity of reading Hansard in the morning. My only desire this afternoon was an endeavour to contribute something of a constructive character, and there was no political colour of any kind in my utterances. I endeavoured merely to speak in a somewhat informative fashion of things of which I had some knowledge, without arrogating to myself that superiority of knowledge of which the leader of the opposition spoke, and which he exhibits so very often.

I am pleased to note that my hon. friend apparently believes that when a public officer, who under the law can be discharged only for cause, is accused of any dereliction of duty, that officer has the right to be heard in his own defence before he is discharged for cause. I believe I am correct in saying that whatever cause may be assigned for dismissing the Board of Grain Commissioners, at least no charge of dishonesty has been made; indeed I doubt whether it could be said that the charge has gone as far as inefficiency. The charge seems to be rather of a lack of judgment in a particular case, and so far as that is concerned, the Minister of Trade and Commerce can speak with greater authority than myself.

The third misstatement on the part of the leader of the opposition to which I wish to refer was his reference to the contest between three departments of this government for the control of the Canada Grain Act. He knows as well as I do that the first mention of any possibility of that act being administered by the Department of Railways came from himself on the floor to-night. No one else has referred during the course of this debate to any such possibility, and my hon. friend simply invented it in order that he might have something to talk about, being rather short of material with which to make a speech.

I take the attitude which I took this afternoon, and without seeking in any way to evade the proper responsibility of the government, I repeat it: The Canada Grain Act has been built up by a succession of parliaments rather than a succession of governments. Committees of this house have suggested from time to time amendments in this rather unique statute, and the government of the day, as I said this afternoon, has endeavoured to carry out the desires of the producers as represented on those committees. There have been difficulties in the administration of this act, and there will be difficulties in the future. The hon. leader of the opposition put his finger on one of them when he said that the Board of Grain Commissioners is not a court of record, or a court in the ordinary sense. Many of the members who have spoken have rather ignored that fact—perhaps they have not caught the full significance of it. They seemed to expect the Board of Grain Commissioners to take the place of the courts of the land with respect to matters pertaining to grain.

Some hon. MEMBERS: No, no.

Mr. DUNNING: But in any case that cannot be hoped for. The only features of the law which the board is empowered to enforce and to exact penalties for, involve either a prosecution by the board in the ordinary courts of the land or a revocation of license by the board. That is one point which, I think, might well be considered by the committee.

Mr. BENNETT: Power to dismiss officials.

Mr. DUNNING: They may, of course, dismiss officials, but I have not yet heard any complaint against a particular official working under the board. They are given no power,

for instance, to deal otherwise with the Grain Standards Board than the law provides, and I do not think much complaint is being made with regard to the Grain Standards Board. The demand is rather whether the existing machinery cannot be improved in the light of circumstances that have developed in the last year or so. Everyone knows that the functions of the Grain Standards Board are far different in 1928 or 1929 from what they were in 1907, 1908 or 1910. I simply plead with members on both sides to attempt to approach these difficult matters connected with the marketing of grain in the same non-partisan manner as parliament has endeavoured to deal with this question throughout the whole history of the Canada Grain Act. In that way we can do more constructive work for the people of western Canada than by attempting to play politics with a matter of such great importance.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): Mr. Speaker, the leader of the opposition (Mr. Bennett) when he rose to speak made a statement which I very much resent. He intimated that the government or the Minister of Trade and Commerce was endeavouring to hide behind the Board of Grain Commissioners and shoulder the responsibility onto them.

Mr. BENNETT: Undoubtedly.

Mr. MALCOLM: There has never been said by any man in the house before that the minister in any way shirked responsibility or was not willing to take full responsibility for the administration of his department. It has not been shown by any hon. member that the Board of Grain Commissioners are guilty of any crime. Just a few days ago, and for the first time in history since the pools were inaugurated, the government had the unanimous advice of the three presidents of and the three lawyers for the pools, gentlemen who came to us in the most honourable fashion to tell us for the first time what was the joint opinion of their members who represented fifty per cent of the producers of western Canada. We were glad to meet them and to receive the benefit of their advice. These men pointed out to us that certain changes in the act would be an improvement in the handling of grain. They pointed out to us what they thought would be advisable in the way of legislation in order to make the act more suitable. But not once in the whole interview did they make or infer a single charge against the honesty or even the judgment of the Board of Grain Commissioners.

We have heard a great deal of discussion in the house about a ticket, and my hon. friend tries to attach a certain amount of blame to the Minister of Trade and Commerce. I am quite prepared to assume full responsibility for anything I have done in connection with this ticket. Certain amendments were made to the grain act and I think some hon. members understand them much more clearly than the leader of the opposition does if his remarks are an indication of his knowledge of the matter. The amendments made to the act call for a change in the form of ticket. The Board of Grain Commissioners recommended to the minister that a certain form of ticket should be used to bring it into conformity with the act. My hon. friend says that the order in council did not bring the new ticket into exact conformity with the act. There may be a point in what he says, and I will come to that in a moment. That ticket was put into use in May, 1927, and it has remained in use ever since. The criticism of the Board of Grain Commissioners is not that they authorized anything or that an order in council was passed for anything, but rather, that they permitted the line companies to insert certain additional words in the ticket. When those tickets were first used the line elevator companies added the names of the Manitoba, Saskatchewan and Alberta wheat producers associations. It was called to the attention of the board that these words were in direct violation of the act in that they were not included in the ticket as prescribed by the act. Mr. Murray, counsel for the pools and counsel for the trade, who insisted they had the right to insert those words, argued before the board and counsel of the grain commissioners on the effects and legality of the use of the words. The counsel whom the Board of Grain Commissioners engaged to advise them was Mr. Fisher, and his advice was that the use of these words on the ticket did not change the form of the ticket, as they merely constituted a statement of fact. Not satisfied with that—and I want my hon. friend to realize this, when he talks about maladministration or neglect of duty—the Board of Grain Commissioners came to Ottawa and, as he well knows, consulted the Department of Justice. The Deputy Minister of Justice gave them his advice and a ruling on the addition of the words in question, stating that he did not think the addition of the words materially affected the form of the ticket. Therefore when my hon. friend criticises the Board of Grain Commissioners, and when any other members criticize them for permitting the use of the ticket, they are also criticizing the judgment of the Department of Justice.

My hon. friend says that I knew of this long ago. Quite so; I did know of it and I take responsibility for knowing of it. I knew the grain trade who had the handling of certain grains desired to have some specific words on the ticket to indicate the grain which they were handling for pool members as distinguished from the grain which they were handling for their own customers. I know the Board of Grain Commissioners did not want the ticket used, and took advice as to whether they could legally stop the use of it or not. They did not authorize the use of it. The Deputy Minister of Justice advised them he thought the ticket was within the meaning of the act. Very well; a whole session of parliament passed. Did we hear any complaint last year from members about that ticket? Not a word. A whole year passed; the first complaint I recall receiving was last fall, and very late in the fall, from one of our own members, the Deputy Speaker (Mr. Johnston) to the effect that there was grave complaint in the west against the use of this ticket. Hon. members talk about millions of dollars, as if they were as common as the sands of the sea. My hon. friend knows perfectly well that when the grain trade was handling under contract certain grains for the pool where the pool did not have the country facilities to handle it, the loss that came to the farmer was a loss brought about by one set of conditions alone. The profits of the pool terminal elevators are divided among the members who have the opportunity to use the pool terminals. Therefore it is desirable that a member of the pool should, if possible, get his grain to a pool terminal, resulting in two or three cents a bushel profit therefrom. That is perfectly justifiable. You cannot blame a man for wanting to ship his grain to his own terminal. Under section 150 of the Canada Grain Act, long before the so-called Campbell amendment, every member of the government claimed that the farmer had that right. It was said that the Campbell amendment was unnecessary, but the house agreed to the amendment as hon. members felt that it would strengthen the act. When my hon. friends from the west wanted the amendment, parliament enacted it practically unanimously. The loss that occurred was simply the loss to those farmers who lost their share in the profits of the pool terminals. I do not know how much grain went through the pool terminals or how much grain could have gone through the pool terminals. I do not know whether the facilities of all the pool terminals were taxed to the utmost or not, but the only loss that could have occurred to the farmers of western Canada was if the pool terminals were not used to their capacity, because they could only distribute the total profits of capacity occupancy. That is all the profit they could have made, and if the pool terminals were not used to capacity, there would have been the two or three cents a bushel loss which other farmers received who shipped their grain through the pool terminal. That is the situation with regard to this hybrid ticket. The Board of Grain Commissioners wanted to discontinue its use. They asked the Justice department for an opinion, and the Justice department said that they believed the ticket was within the law, so that if any criticism is coming to the board for not stopping the use of that ticket and allowing the use of the words, the board have the opinion of the Justice department to back them up.

When we heard the complaint that was made this fall about the matter, I immediately began to investigate to see how wide-spread it was, and I discovered that the board, on every occasion when it had been called to their attention, told the farmer—the telegrams are on record, and the board will have the records for their defence—that he had the right to apply for a ticket under section 150, and the line companies were informed that they had to give that ticket. The board never denied the right of the farmer to get the ticket under section 150, the ticket prescribed by law. Certain elevator companies probably were guilty of refusing to give that ticket, and I think the board are able to show that they were quite willing in every case to prosecute the grain company for their refusal to give that ticket. Every time they attempted to prosecute, the company gave the ticket, and they were ordered to give it on many occasions.

I am not a man who has such a high opinion of himself as to refuse to accept the opinion of trusted and tried officers of my department. When I came into the department I believed that Mr. Boyd, who had been chairman of the Board of Grain Commissioners for twelve years, was a good public servant and that he had done everything he could to administer the grain act in a proper manner in the interests of the producers for whom it was designed. I knew that Mr. Boyd had served under half a dozen different ministers since May, 1917, and when the term of his office expired I was quite willing, having regard to his experience, that his term should be renewed and his services continued. These men as far as I know have been competent men, and I have laid no charge against them. I want the leader of the opposition clearly

to understand that I am not trying to hide behind the skirts of anybody. The Board of Grain Commissioners are competent officers of my department. They have been there for many years administering the act. The officers of the pool, in consultation with members of the government the other day, suggesting changes to the act, made no charge against the board. A lot of members of parliament have charged the board with incompetence, and a lot of resolutions have been passed, but up to the present time I do not think one single specific charge has been laid in this house against the honour of this board, nor do I think such a charge could be proven. I do not think anything can be said about the board unless it can be shown that their judgment was faulty in permitting the use of a ticket after they had received the advice of the Department of Justice in regard to it.

Mr. BENNETT: I know the minister does not want to be interrupted, but I think the advice which was given him by the Department of Justice is hardly what he suggests. It reads:

> It is contended on the other hand that the grower in such circumstances has no right to control the shipment of grain because the pool, being fully authorized as his agent to do so, waived the statutory right given by section 150 (2). Owing to the fact that the parties have failed to express their intention clearly, I entertain considerable doubt as to whether the grower may, if he chooses, elect to divert the grain to a terminal of his selection. I should think he probably can, if he has not stored the grain in the country elevator on account of the pool, but Mr. Boyd has not asked advice on this point.

Mr. MALCOLM: My hon. friend is perfectly right. We never asked advice on that point. We never denied the right under section 150.

There has been so much said about the question of the loss in value in the different grades that I think it is worth while for me to make a few remarks on that subject. Under the Canada Grain Act there is a standards board set up each year, "which board shall meet and take samples of the year's crop and thereon set the commercial grades." The standards board is composed of fifty per cent producers, and on it are such men as Dean Rutherford, of the university of Saskatchewan, some officers of the pool, and officers of the producers' organizations. The other members of the standards board are millers and grain dealers. The Board of Grain Commissioners also has a representative of its own on the standards board. Someone has charged that the Board of Grain Commissioners did not see that the standards were proper this year, but the very evidence brought out here tonight shows that the Board of Grain Commissioners did all they could to assure that they should be proper, for the standards were accepted unanimously by a board set up of fifty per cent producers, and the only one who protested that the standards were too high was an officer of the Board of Grain Commissioners, Doctor Birchard, their chemist, who said that the lower grades of this year's crop had a higher milling value than in previous years, and as a result this should be considered.

Mr. FANSHER (Last Mountain): Did not a representative of the pool, Mr. McCrea, object strenuously to these standards?

Mr. MALCOLM: I never heard of it. The board unanimously accepted the standards, and when Doctor Birchard pressed his point he was told that the samples he had taken to ascertain the milling and baking qualities of the lower grades were unfair and that he should take other samples from the head of the lakes. He milled and baked further samples, which proved his contention that our lower grades this year have a very substantially higher milling value than in other years. Immediately the standards were set and Doctor Birchard had ascertained the high milling value of the lower grades, the Board of Grain Commissioners notified the Liverpool corn exchange and the corn exchanges of Europe that this year our low grades had an exceedingly high milling value, and in consequence closer prices have existed between the grades this year. To say that in so far as the setting up of standards is concerned the Board of Grain Commissioners did not function or did not assist is to state something that is not true. Mr. Boyd, Doctor Robinson, Mr. Snow and Doctor Birchard have not control of setting the standards. That is in the hands of the Standards Board, but so far as they could through their officer and chemist they tried to influence the opinion of the board that the wheat this year of the lower grades was of an exceptionally high milling value.

Another matter has been referred to with which the Board of Grain Commissioners have nothing to do; the law entirely decides the matter. There is a great diversity of opinion as to the benefits and evils of mixing. Many men in this chamber have shown that the farmers have lost a very great deal of money through mixing, that their wheat has been bought on the maximum of the grade and shipped out on the minimum, that they

have not received the profits therefrom but that the intermediate handlers have reveived the profits. So far as the cooperative organization is concerned no great losses can occur, because whatever profit is made by mixing goes to the members, but in so far as the private seller is concerned it is quite possible that mixing might take from him some profit which would be made by the mixing house. If the pool operating their own mixing house make money on mixing, the one question for parliament to consider is, does mixing lower the standards of our grades on the markets of the world and thereby reflect on the quality of our wheat? But, Mr. Speaker, in spite of all the discussion on mixing, in spite of all the discussion in Alberta, Saskatchewan and Manitoba on mixing, farmers by the thousand claim that they are being defrauded by mixing. Is not that true? I think every hon. gentleman from the west will agree that there is much complaint against mixing, but I would ask the house what in the name of goodness can the Board of Grain Commissioners do to prevent mixing when parliament made it legal in the statutes, and when, I, with the board, have to administer an act which says that mixing is legal? So all this pile of criticism of this evil which some of my hon. friends want to centre on the Board of Grain Commissioners, a board which I as minister will defend until something specific has been proven against them, all these things are not things which the board can direct. You can appoint any five men, or any fifty men, and even if they be supermen they will not be able to give satisfaction to the grain producer on the question of mixing so long as the Canada Grain Act permits the practice.

There is another point, Mr. Speaker, to be dealt with. Before parliament was called this session I did my very best to secure the fullest information as to the seriousness of the complaints referred to in this debate. I found that in Alberta, in Saskatchewan and in Manitoba there was serious complaint against the use of the ticket to which I first referred, and that the board were charged with making a very grave mistake of judgment in not immediately prohibiting the use of the ticket, it being charged that by their failure to do so they had allowed the grain trade to deprive the farmer of his rights under section 150. Undoubtedly if the board had prohibited the use of the ticket litigation would have followed. But I need not argue the point; I have no fear on that score. I found out also that very grave dissatisfaction existed on the question of mixing and on the question of grades.

[Mr. Malcolm.]

Immediately parliament assembled I called the members from the west into my room and discussed the matter with them. I found they were very desirous of cooperating with me to improve the grain act. They made certain charges against the Board of Grain Commissioners for allowing the use of this ticket, but their principal desire was to endeavour to improve the legislation so that it could be better administered.

My hon. friend from Rosetown (Mr. Evans) brought this question to the fore by his resolution to dismiss the board. Thereupon I said that I had no other course open to me than to allow the committee on agriculture and colonization to hear any evidence that might be submitted pertaining to the board's action. And now my hon. friend the leader of the opposition says that this is not a case for the committee to hear. Let me say that throughout this debate, although there have been complaints that the Board of Grain Commissioners have not administered the act in the interests of the wheat producers, no proof has been submitted to show dereliction of duty, as he expresses it; not one word of proof. I make that assertion after having listened to the whole debate and after a careful perusal of Hansard. No hon. member has proven the Department of Trade and Commerce was derelict in the administration of the act. Therefore I submit it is the easiest matter in the world to deal with the respective resolutions of my hon. friends from Rosetown, Willow Bunch and Qu'Appelle by giving to the committee on agriculture and colonization the widest possible powers to investigate the problems which arose during the past year. I venture to say that in the investigations of those problems, and the placing of the board in the hands of the committee to explain their actions, the net result will be that no man will be able to substantiate any charge of inefficiency that he may prefer against the board.

I can assure my hon. friend the leader of the opposition that so far as I am concerned I am not going to hide behind the fact that I am a new minister and have had only two years' experience in my department, because I believe that when I took office I had to deal with a body of commissioners which knew the Canada Grain Act reasonably well, men who were honourable and clean, and who gave me the best advice of which they were capable. Up to the present time I have had no reason to distrust these men. If they have failed in matters of judgment, that is only a human failure. Whether or not they have failed I do not know. but I do know that their

action which is criticized the most, has been sustained by counsel and by the Department of Justice.

There is nothing further, Mr. Speaker, that I can add. I think the house should let the matter go to the committee on agriculture and colonization for investigation, and I think that during the investigation many of the remarks that have been made in the course of this debate will fall to the ground.

Mr. JOHN MILLAR (Qu'Appelle): Mr. Speaker, before the debate is closed I desire to make a correction. The hon. member for Rosetown (Mr. Evans), perhaps unwittingly, misrepresented what I said yesterday. His statement was to the effect that I said that in 1925 the pool were in favour of mixing; also, that Mr. Murray, one of the members of the pool, before the committee of 1925 simply stated that the pool were mixing because the others were mixing. Now, neither of those statements is correct. I should like to quote my exact words. In endeavouring to make plain to the house that there was a division of opinion in 1925 in regard to mixing I said:

> The pool officials who were present in the committee at that time when the matter was being discussed represented a body who were not themselves a unit. One of them stated in the committee that the pool were mixing, and did not wish that privilege taken away.

My first statement that the pool were not a unit is quite different from the statement attributed to me by my hon. friend that the pool were in favour of mixing. The latter part of my statement I still stand behind. I have the printed report of what Mr. Murray said, and it bears out my statement rather than the statement of the member for Rosetown.

Mr. W. F. KAY (Brome-Missisquoi): Mr. Speaker—

Hon. H. H. STEVENS (Vancouver Centre): Before the mover of the resolution (Mr. Kay) closes the debate, Mr. Speaker, I desire to say a word or two. This question is usually looked upon as peculiar to the interests of hon. members from the three prairie provinces, and as a consequence it is generally accepted as desirable that they should be the ones to debate it. Therefore I hope I shall not be considered an intruder.

Some ten years ago we had perhaps what may be termed a rather intense discussion of this subject, out of which grew the grain act as it was amended in 1919. I should like to bring to the attention of the house what I think is at the very root of almost all the complaints regarding the handling of grain. First, mixing is the term that is used as being peculiarly objectionable to the producer. But what is it that inspires a desire to mix grain? A former leader of the Progressive party and a former minister of agriculture, the Hon. Thomas Crerar, in the session of 1919 gave a very clear statement of the reasons why mixing occurs. I have not his speech under my hand, but I can send for it. It will be found in Hansard of that year at about page 3000 or 3100.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: If my representation of what he said is questioned I will send to the library and get Hansard. Indeed, I may as well send for it now, seeing that apparently there is some question. However, what he said was this: that a superintendent of an elevator—he was speaking then of public terminal elevators at Fort William—knew perfectly well that he could not weigh out of an elevator exactly the same amount of grain as he had weighed in because of an invisible disappearance or shrinkage in the handling of the grain. In other words, he was bound to have a certain amount of shrinkage. He said further that if there was a shortage at the annual weigh-up in that particular grade of grain he had to go on the open market and buy the grain and replace it. Therefore, he said, all superintendents used every conceivable means to maintain the quantity of grain in the elevators—always; because the superintendent, knowing that he would be held responsible for shortages and shrinkages, invariably did a certain amount of mixing in order to maintain his quantity of the higher grades. And to do this he would mix a lower with a higher grade so as to keep the quantity.

Mr. McLEAN (Melfort): Shrinkage is provided for.

Mr. STEVENS: A very small shrinkage is provided for in the act—30 pounds to the car, if I recall rightly. That is allowed in the act, but it is not enough and is known to be not enough. My contention in 1919 was this—and I hold it is good to-day—that no public terminal elevator handling grain of other people should be allowed to mix one grade with the other and thus make more money from the outgo and out of the overages than they would make if they handled the grain strictly in conformity with the act. The evil of mixing has, I think, been demonstrated in this as well as in previous debates, and there is one simple fact which the house ought to face. It is this. It has been demonstrated over a long period of years, whatever

may be the reason for it, that the farmer usually gets the short end of the deal in the handling of the annual grain crop of the country. Reasons may be assigned here and there, but the long and short of it is that the farmer pays the piper, to use a common expression. Surely then parliament ought to address itself primarily to the importance of protecting the interests of the farmer. I am not saying this simply to curry favour with the farmer; I make the statement in order to indicate what is the primary principle that should be observed in the whole discussion of the problem. Parliament ought to address itself to the protection of the farmer's interests, the interests of the producer of the grain. Now, if by the introduction of these tickets, or if by any action of the grain commission or any action on the part of the operating companies, the farmer or the producer—I will use the latter term—feels that he is not getting full value from the sale of his crop, then parliament ought to give the matter immediate attention.

Now I have Hansard and I will quote the exact words of Mr. Crerar. Referring to some observations I made regarding overages at the head of the lakes, he says:

> Every man. . . knows this fact, that you cannot operate a terminal elevator or a country elevator or for that matter any other elevator, where grain is handled in bulk, and have your outturn correspond identically with what you put into the elevator.

He laid that down, and I lay it down, as a primary principle in the handling of grain: You cannot expect to take out of the elevator the same quantity as you put in of any grade. He goes on:

> I have stated also that the owner of a terminal elevator warehousing grain is responsible for every bushel of grain that goes into that elevator. Not only so, but he is responsible for every bushel of grain of a particular grade that goes into that elevator.

That was the second proposition laid down by Mr. Crerar. Further on, having discussed the eventuality of a shortage, he says:

> In that event I have to go into the open market and buy the grain necessary to make up the deficiency. . . Now, how do the overages arise? Naturally, when the superintendent of an elevator is conscious of the fact that his elevator is short on any grade at the end of the season, or it is short on the total amount of grain put in, and his company has to go into the market to buy that grain to make up the deficiency, he uses every precaution to insure that his elevator comes out right.

If you will take the annual reports as published previously I notice that the 1927 report does not cover this particular phase of the subject—you will find set out a record of the weigh-ups of the various elevators, and in these weigh-ups you will see that invariably the overages occur on the higher grades and any shortage that takes place is in the lower grades. What is the explanation? It is a simple one. If an elevator found that it was a little short on No. 1 it fed into No. 1 bins a certain quantity of high grade No. 2, thus not only maintaining but increasing No. 1. And a high grade No. 3 was slipped in with a good grade No. 2. The result is, as the Minister of Railways (Mr. Dunning) mentioned a moment ago, that out of these elevators there invariably comes the minimum of the good grade instead of an average grade. Now this has been going on year after year and very little has been attempted in the way of a remedy. The question may be asked: What can be done? Before I answer that question I want to go a step further. Some hon. gentleman a moment ago spoke about the pools. I will not deal with the pools because I have not looked into the matter since the pools have had charge. The cooperative groups—that is to say, the Saskatchewan Cooperative and the Grain Growers' Grain Company of Manitoba—commenced operations some fifteen years ago or thereabouts, and they did exactly the same thing that the private elevators do, because they realized that they would also be faced with shortages in the various grades. Under the act which I have here they are allowed to take, for impurities in the grain, up to 3 per cent dockage.

Mr. DUNNING: That is set by the inspector.

Mr. STEVENS: It was fixed in the old act. However, I will accept the minister's word.

Mr. DUNNING: For dockage the inspector sets the amount.

Mr. STEVENS: Dockage was allowed.

Mr. DUNNING: My hon. friend is referring to shrinkage.

Mr. STEVENS: No, I am referring to dockage. However, I will not quarrel over the point. In any case, we will put it this way: They are allowed to make a certain dockage. Invariably that dockage exceeds what is necessary to allow for the impurities in that shipment. In other words, it would be impossible to fix it exactly, so a small margin of safety is allowed; but mark you, in every instance the elevator gets the protection rather than the shipper of the grain.

I have just had placed in my hands some observations made in 1925. I refer to the Grain Growers' Grain Company, and according to Price, Waterhouse and Company's report in 1916-1917, their earnings were $446,000, made up from elevator operations, $238,000; screenings, $51,000; and overages, $157,000. I do not cite this for the purpose of reflecting on this company, because the pressure of business forced the grain growers, the Saskatchewan cooperative and I believe the pool, to do exactly what other elevators had been doing. In 1919 I argued in parliament against allowing the principle of overages at all, but I remember that Mr. Crerar and others from the west opposed that idea, so it was fixed by statute that one-half of one per cent would be the maximum allowance for overage.

Mr. DUNNING: Was it not one-quarter of one per cent?

Mr. STEVENS: No, one-half of one per cent; that was fixed by statute. We must remember that one-half of one per cent of the western crop is an enormous amount; it is a heavy toll to levy on the crop. It is my opinion that overages should not be allowed, and I believe the agriculture committee should take this phase of the question into consideration, because after all it lies right at the very root of the whole trouble; I believe that an elevator should be given fees for the services rendered and that the shipper should get the full return on his shipments. In the case of grain containing impurities, instead of making an arbitrary dockage of two per cent or three per cent, which is a heavy toll, in my opinion the grain should be cleaned before it is weighed and graded for distribution. By following these processes I believe very much could be done to lessen these difficulties.

Mr. BROWN: I think if the hon. gentleman looks into the matter he will find that the allowance is one-quarter of one per cent.

Mr. STEVENS: I am told by my leader that the hon. gentleman is right; it was fixed at one-quarter of one per cent in 1925, but previously it was one-half of one per cent.

Mr. BROWN: I believe it always was one-quarter of one per cent.

Mr. STEVENS: I will look up the resolution which was presented to this house in order to have it clearly before us. The resolution says:

> . . . . if a surplus in any grade of grain is found in excess of one-half of one per cent of the gross amount of the grain received in the elevator during the crop year, such excess surplus shall be sold annually by the Board of Grain Commissioners. . . . .

I understand that was amended in 1925 to one-quarter of one per cent.

The first point I wish to make in these observations is that in all the questions we have been discussing in connection with the handling of the grain crop and in every decision which has been made, the handler of the grain has received the benefit rather than the shipper. That is the basis of our complaint, and I think the time has come when our primary objective should be to give to the shipper of the grain a maximum return for his goods; I will leave it at that.

I have before me the annual report of the Board of Grain Commissioners for Canada for the crop year 1927. I ask the minister if there is any explanation why we have not had the report for the year 1928 in our hands long before this. Nine months have passed since the end of the crop year, which was on August 31. 1928, but as yet we have not received that report. As a matter of fact, the section of the act is as follows:

> The board shall, within thirty days after the close of each calendar year, make to the minister a report respecting,
>
> (a) all such matters as appear to the board to be of public interest in connection with the inspection, weighing, storage and transportation of grain; and
>
> (b) such matters as the minister may direct.

In the first place, I want to direct the attention of the minister to the fact that the statute calls for a report to be made by January 30, and it should be printed and in the hands of members of parliament immediately after the opening of parliament. In the second place I want to draw attention to the fact that the reports now do not contain a statement of the annual weigh-up, so far as I have been able to see, and the annual weigh-up is of immense importance. For instance, there should be shown very clearly what additional overages there are in each elevator for each year, and out of what grades those overages come. That may be in the report, but I confess that in looking through this report I have failed to find it. I direct the attention of the minister to that because if we have not that information we cannot properly gauge the merits of the act or the outcome of the administration of the act.

I am not going to detain the house longer; I want the minister to feel that I am quite certain there is no desire to impugn his personal capacity or his personal honour, nevertheless the fact remains that on his shoulders rests the responsibility for the administration of this act, and if the act is not being

administered satisfactorily parliament must look to him for the explanation. That is really the point we all desire to make very clearly. I agree with my leader that the Board of Grain Commissioners should not be judged without being heard; if they have not properly administered the act then they should be censured, but in the meantime we in parliament must hold the minister in all cases responsible for the proper administration of these acts.

Amendment (Mr. Coote) agreed to.

Motion as amended agreed to.

RESIGNATION OF MR. LOUIS M. AUGER

Mr. SPEAKER: By leave of the house I wish to read a letter which was delivered to me this evening:

Ottawa, March 21, 1929.

To the Honourable the Speaker,
The House of Commons,
Ottawa, Ont.

I, the undersigned, member of parliament for the county of Prescott, hereby tender my resignation as representative of the said county in the House of Commons.

Dated at Ottawa, this 21st day of March, 1929.

Louis M. Auger.

Witnesses:
J. M. Dale,
Raoul Mercier.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, March 22, 1929

The house met at three o'clock.

VACANCY

Mr. SPEAKER: I have the honour to inform the house that a vacancy having occurred in the electoral district of Prescott, I have issued my warrant addressed to the chief electoral officer.

REPORTS OF COMMITTEES

MISCELLANEOUS PRIVATE BILLS

Second report of the select standing committee on miscellaneous private bills.—Mr. Brown.

PUBLIC ACCOUNTS

Mr. S. W. JACOBS (Cartier) moved:

That the first report of the select standing committee on public accounts be concurred in.

Motion agreed to.

[Mr. Stevens.]

COMMITTEE ON STANDING ORDERS

REFERENCES TO CONSIDER SUSPENSION OF STANDING ORDER 92

Mr. J. A. MERCIER (Laurier-Outremont) moved:

That the petition of l'Alliance Nationale, presented this day, praying for an act to amend the charter of that society, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto.

Mr. SPEAKER: It must be by leave of the house.

Motion agreed to.

Mr. F. W. BOWEN (Durham) moved:

That the petition of George King, presented this day, praying for an act to dissolve the marriage between the petitioner and Jessie Georgina King, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders, for the purpose of considering the suspension of standing order 92 in relation thereto.

Mr. SPEAKER: By leave of the house.

Motion agreed to.

CANADA—NEWFOUNDLAND TRADE AGREEMENT

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I should like to ask the Minister of Finance (Mr. Robb) if he has any statement to make to the house in connection with the report that the trade agreement between Newfoundland and Canada had been terminated, or that notice to that effect had been given.

Hon. J. A. ROBB (Minister of Finance): I have not read the report. Did it appear recently in the press?

Mr. BENNETT: Yes.

Mr. ROBB: About a year ago Sir John Bennett, then representing the Newfoundland government, came to Ottawa and we negotiated a trade agreement on behalf of the Dominion of Canada and the colony of Newfoundland, giving Canada most favoured nation treatment, including the British preference, and giving to Newfoundland the same concessions in Canada. It was also arranged that we should assist in some way, through the Department of Trade and Commerce, in the maintenance of a steamship service carrying mails between a port in Canada and a port in Newfoundland. The necessary orders in council were put through here and the necessary legislation passed in Newfoundland, but subsequently it was learned that there

was a difference of opinion in Newfoundland as to the interpretation, and until that matter should be straightened out we have made no payments on account of the subsidy. Recently Sir Richard Squires, the present Prime Minister of Newfoundland, has been in Ottawa and has had a conference with the Minister of Trade and Commerce (Mr. Malcolm) and myself, and we understood that we were reaching an agreement that would be mutually satisfactory both to Canada and to Newfoundland.

Mr. BENNETT: Would that involve the termination of the present agreement?

Mr. ROBB: So far as we understand, the present agreement still stands.

MEDICAL RELIEF FOR INDIANS

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): I would ask the Minister of National Health (Mr. King) in the absence of the Minister of the Interior (Mr. Stewart), if any official report has been received from the Ontario government with respect to providing medical relief for the Indians in James Bay basin. A despatch from Toronto dated March 19, reads:

Hon. William Finlayson, provincial minister of lands and forests expressed the willingness of the Ontario government to cooperate with the Dominion authorities in carrying medical aid to the stricken Indians in the Moose Factory district in a letter forwarded to the Department of Indian Affairs at Ottawa to-day. Provincial air force machines will be placed at the disposal of any doctors the Dominion government may decide to send to the Indians' aid. Captain W. Roy Maxwell, director of the force, is ready to lead the expedition.

Hon. J. H. KING (Minister of National Health): In the absence of the Minister of the Interior (Mr. Stewart) I may say that the matter of medical relief for the Indians comes under the Indian department. I shall bring the matter to the attention of the Minister of the Interior and he will be able to give my hon. friend an answer later.

GRADING OF GRAIN

ALLEGED MIXING AT MONTREAL ELEVATORS

On the orders of the day:

Mr. J. A. MERCIER (Laurier-Outremont): I would ask the Minister of Trade and Commerce (Mr. Malcolm) if the government has been made aware of a statement issued by the chairman of the harbour commissioners of Montreal, and published in the press of yesterday, denying that grade mixing has taken place at Montreal.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): Yes, the government has received a copy of a telegram which was sent to the chairman of the Saskatchewan commission I think, by the Montreal harbour commission.

BUSINESS OF THE HOUSE

INQUIRY RESPECTING FURTHER LEGISLATION

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, perhaps this would be an opportune time for the right hon. Prime Minister (Mr. Mackenzie King) to indicate in as general a way as possible what government business will engage the attention of parliament during the remainder of the session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, if my hon. friend will regard my statement as a general one and not hold the government too closely to it, I would say that I think the house has now before it, either under government notices of motion or government orders, practically all the legislation that we intend introducing this session, with the exception of four bills of which I will make mention. There may also be a bill from the senate dealing with the Companies Act; it does not appear on the list before me. The Minister of Justice (Mr. Lapointe) intends to introduce a bill respecting the Juvenile Delinquents Act, and another bill respecting the administration of justice in the Northwest Territories; the Minister of Railways and Canals (Mr. Dunning), a bill with respect to the Montreal terminals, and the Postmaster General (Mr. Veniot) a bill respecting certain postal employees. I think those bills cover all the legislation to be introduced.

JACK MINER BIRD SANCTUARY

INQUIRY AS TO FINANCIAL ASSISTANCE

On the orders of the day:

Mr. W. J. WARD (Dauphin): I desire to ask the Prime Minister if it is the intention of the government to grant any financial assistance to the Jack Miner bird sanctuary at Kingsville, Ontario.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The intention of the government will be announced in the supplementary estimates; but it might please my hon. friend and Jack Miner if I were to say that we are favourably contemplating such a grant.

RELIEF TO WELSH MINERS

On the orders of the day:

Mr. G. R. GEARY (South Toronto): Mr. Speaker, will the right hon. Prime Minister be good enough to say whether the government has taken into consideration the question of making a grant for the relief of the distressed coal miners in Wales?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have already intimated to the house, in answer to a similar question which was asked by my hon. friend from Toronto Northwest (Mr. Church), the position of the government in this matter.

INQUIRY FOR RETURNS

On the orders of the day:

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, on March 4 a motion standing in my name passed the house for the production of correspondence between the government, the British High Commissioner and the British Federation of Industries with respect to the British preference. I have not yet received the papers, and I would ask that they be presented as soon as possible. On the same day another motion standing in my name passed the house for the production of papers in connection with the sale of section 26, township 32, range 32, west of the first meridian. I should very much like to secure these papers at the earliest possible moment.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall ask the Secretary of State to take note of my hon. friend's wishes regarding these matters.

THE BUDGET

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

The house resumed from Tuesday, March 19 consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Hon. Hugh Guthrie, and the proposed amendment to the amendment of Mr. Spencer.

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, all things come to those who wait. About sixty hours ago I began a few observations on the budget and spoke for four or five minutes before the house adjourned. At the time of the adjournment I was dealing with the speech of my hon. friend from South Wellington (Mr. Guthrie) delivered in criticism of the budget. He admitted, at least in a half-hearted manner, something that his colleagues who have since spoken have not admitted, namely, that there is some prosperity throughout the Dominion. He qualified his admission by saying that this prosperity, he thought, was confined to the larger centres, such as Montreal, Toronto, Hamilton, Winnipeg. My hon. friend from West Hamilton (Mr. Bell) in his speech a few days ago went a great deal further than the hon. member for South Wellington in denying that Canada is prosperous. In fact my hon. friend from West Hamilton may be called—and I do not say this in any offensive way—the leader of the pessimists and the wailers of woe and calamity on the other side of the house. To show the house that he has not changed his views in that regard, I propose to quote from a speech that he delivered in the session of 1926. On February 2 of that year he was making, I think, his maiden speech—at any rate, it was a speech, and he referred to the conditions in the city of Hamilton, in which he was born and which he now has the honour of representing in this house. Time will not permit my reading the whole speech, but I may be permitted to quote a portion of it from page 664 of the 1926 Hansard. He said:

> I speak now of the city of Hamilton in western Ontario, the plight of which is similar to that of many other cities in that part of the country; a city where for the last three years thousands of people have been face to face with the grim spectre of starvation. When in the recent campaign it was part of my personal duty to acquaint myself with the actual situation as it existed in that city, I ascertained from the only official records available, those of the chamber of commerce, that employment in Hamilton at any time during the past year was at best but 42 per cent of the normal—42 per cent, not of the possible, but of the normal. In other words, one-half of the living of the people had been swept away by failure to provide safeguards for such manufactures as those people live by.

Mr. SPENCE (Parkdale): Hear, hear; that is right.

Mr. SANDERSON: He continued:

> That is a condition which is not of any recent making, it has existed continuously for the last three or four years, and it shows no improvement to-day.

Then the hon. gentleman went on to tell of the people in Hamilton climbing up the mountain to pick bark, herbs and leaves which they took back to their homes to burn and keep themselves warm.

Mr. BELL (Hamilton): Did my hon. friend ever hear me say that the grass grows in Hamilton on the main street as it does in dear old South Perth?

Mr. SANDERSON: The grass that grows in South Perth is the verdant grass of the farm, the backbone of the country. I am not a farmer nor a playwright, but I am passing this on to my hon. friend.

Mr. BELL (Hamilton): I knew that before you started.

Mr. SANDERSON: Now, if my hon. friend will permit me to proceed, I should like to direct the attention of the house to some of his remarks in a recent debate this year. Speaking in this house on March 12, he made certain statements to which I shall refer. However, just before I take that up, let me say this. The hon. member speaks of South Perth. I want to say that during the 1926 campaign the hon. gentleman undertook to do a good deal of campaigning in the province of Ontario on behalf of the Conservative candidates. At that time he had two songs; one was poverty and the other scandal. He went into several constituencies in western Ontario, and I am credibly informed that the result was not very satisfactory to his cause. I hope I do not do my hon. friend any injustice, and probably if he had not interrupted me I might not have brought this matter to the notice of the house.

Mr. BELL (Hamilton): Go as far as you like.

Mr. SANDERSON: I am going as far as I can. The hon. gentleman made three or four speeches, and rumours had it that the board of strategy, who were directing affairs in the Conservative campaign in Ontario, sent him home, because instead of gaining Conservative votes he was making Liberal votes. I am sorry he did not come into South Perth. I should have been glad to have him there, because had he come into South Perth and delivered one or two of the speeches he made in some of the other constituencies my majority would have been 100 or 150 more than it was.

Mr. BELL (Hamilton): I will be there next time and you won't come back.

Mr. SANDERSON: I shall be glad to welcome the hon. gentleman. I want to tell him, however, for his own sake—and I may be foolish in doing this—that if he comes to South Perth he had better forget the poverty and the scandal. Now to turn to what the hon. gentleman said when speaking on March 12 in reference to the city of Toronto. He did not say anything about Hamilton—and, by the way, before I get away from Hamilton perhaps I might make this observation: I do not know the city of Hamilton as well as my hon. friend does; he was born there, he lives there, and he is one of the representatives from that city. But I am credibly informed by people who have lived in Hamilton for many years that that city was never before in the state of prosperity in which it finds itself to-day. I am told that all the manufacturing plants are busy, running full time, that there is a great deal of prosperity, that trade and commerce in the city is flourishing, and that Hamilton is in a very healthy condition financially. My hon. friend may deny this; I do not know. However, I am merely giving information which I have received from people now living in that city.

Mr. RYCKMAN: Why do you object?

Mr. SANDERSON: I am not objecting; I am delighted. I was just wondering whether the hon. gentleman would admit it. Perhaps he will not. However, to get down to the speech of my hon. friend from West Hamilton delivered on March 12. At page 872 of Hansard he is reported—

Some hon. MEMBERS: Go on.

Mr. SANDERSON: My hon. friends cannot rattle me; let them go as far as they like. Speaking of the great city of Toronto, he has this to say:

> As an example, I will take the largest, richest city in the province of Ontario, the city of Toronto, and in order that I may not be accused of bias,—

I am sure no one would accuse my hon. friend of bias.

> —I will refer to two great Liberal journals; to the two great pillars of the Liberal party in the province of Ontario—the Toronto Globe, pillar of cloud by day, and the Toronto Daily Star, pillar of fire by night. I will refer particularly to the pages of the Toronto Daily Star, ... The Star refers to the condition of one family, which it says is typical of many, and headlines the article thus:
>
> Brave family to end of their resources.
> Child breaks down through malnutrition.
> Father out of work for a year.
>
> The article continues:
>
> They stuck to it through thick and thin until at last one of the children broke down under the strain. Malnutrition in reality, starvation, pure and unadulterated.

Mr. GEARY: When are you going to make your own speech?

Mr. SANDERSON: I have listened carefully to some of the speeches of my hon. friend and I have not interrupted him.

Mr. GEARY: I will not interrupt you.

Mr. SANDERSON: But I would ask my hon. friend from South Toronto (Mr. Geary)

whether he endorses the remarks of the hon. member for West Hamilton as to the condition of the city of Toronto, as he intimated when speaking on March 12. I imagine that the hon. members who come from Toronto will not endorse that speech. Now, my hon. friend from West Hamilton quoted the Toronto Star of December 7. Is he not aware that in December of each year the Toronto Star carries a fund for those who are in want or those who have been unfortunate, as a means of providing a Christmas donation? Is he not aware that this article in the Toronto Star to which he referred appeared in one of the editions in which they were asking for subscriptions from the people of Toronto to assist the poor during Christmastide? My hon. friend surely cannot be very familiar with conditions in the city of Toronto. Anyone who goes through the city of Toronto, even staying an hour or two there; anyone who visits the downtown district; anyone who gets on a street car or takes a taxi and goes into the outlying districts, knows—and this is conceded by the press and by the people of Toronto—that there has been more development, there has been more progress in that city in the last two years than in any ten years of its history. My hon. friend may persist in his tale of woe. There are many other extracts from this speech of his delivered on March 12 which it would be interesting to comment upon, but I will leave it at that.

There are some other hon. members on the opposite side of the house who will not endorse some at least of the statements which have been made by hon. gentlemen regarding the lack of prosperity in the Dominion of Canada. My good friend, the hon. member for Lincoln (Mr. Chaplin)—I am sorry he is not in his seat just now—while perhaps somewhat prejudiced politically at times, is nevertheless considered to be one of the shrewdest business men in the province of Ontario, and possibly his version of business conditions in Ontario will be taken as coming with more authority than that of my hon. friend from West Hamilton. I have before me the Toronto Globe of Saturday, February 23, 1929. Now, if I were dealing with the profits and the statements of a private company I would not read this; but this is a public company, the president of which is the hon. member for Lincoln. The article to which I refer appeared on the financial page of the Toronto Globe on the date I have mentioned. I cannot read the whole of it because time will not permit me to do so. However, my hon. friend from Lincoln, the president of Hayes Wheels and Forgings Limited, gives his views as reported in connection with the statement of the company at their annual meeting. I read:

Profits of Hayes Wheels and Forgings Limited for the year ending December 31, 1928, were $461,331, after providing for all manufacturing, selling and administrative expenses, according to the company's annual financial statement.

President J. D. Chaplin, in reviewing operations, said: "During the year your directors found it necessary to make certain important additions and extensions to the power plant and manufacturing facilities at Merritton and Chatham, which involved expenditures aggregating $242.077. After providing this amount and retiring first mortgage bonds of a par value of $26,500, the company's working capital stands at the substantial figures of $868,785.

The profits for the year 1927 were $186,894, showing an increase of no less than $117,377 for the year 1928 as compared with 1927. Then the hon. member for Lincoln (Mr. Chaplin) went on to give a little review of business conditions as follows:

General business conditions throughout the country have displayed a healthy tone of prosperity and it is my belief that we can look forward to a continuance if not an increase for the year 1929.

I merely draw the attention of the house to this statement, and since picking up this paper I just happened to notice on this same page, a statement which I will read for the benefit of the hon. member for West Hamilton:

Steel rolling mills are unusually busy. Algoma rail plant is operating at full capacity.

Then down the page it says:

Hamilton Bridge Company. . .
The Hamilton Bridge Company have booked a $500,000 order from the Dominion government for the construction of No. 6 bridge on the Welland canal. . . . The plants will run at full capacity during the whole of 1929 on orders already booked.

That is one of the large manufacturing concerns in Hamilton.

Mr. ADSHEAD: Is there anything in the paper about labour conditions in Hamilton, as to whether or not there were any strikes or whether everything was peaceful?

Mr. SANDERSON: Nothing that I can see; if there are any strikes in Hamilton or if there were any difficulties in regard to labour, the hon. member for West Hamilton would have been on his feet before this, so I think we may take it for granted that conditions in the city of Hamilton are far from what my hon. friend would like us to believe.

Now, Mr. Speaker, with regard to prosperity in this country, it was stated by the

hon. member for Southeast Grey (Miss Macphail) during her address the other day that perhaps the great basic industry of agriculture was not sharing in the prosperity to the extent that some other branches of trade and commerce were and I am frank enough to admit that at present perhaps the agricultural industry is not enjoying its full share of prosperity as compared with different branches of manufacturing. I want to say, however, that there were reasons for this condition during the past year. We have had some very interesting debates in this house, one of which was concluded last night, and anyone who has followed conditions in the prairie provinces knows that while there was a wonderful crop in the west last year, which promised to be perhaps the best paying crop in the history of that part of Canada, many thousands of acres of wheat were touched by frost before they were harvested. This resulted in a good deal of trouble and difficulty with regard to the grading of wheat, so that the financial returns from that magnificent crop were below what they would have been if Providence had not sent the frost.

Then I come down to western Ontario and particularly the county of Perth and adjoining counties. The crop of last summer at one time promised to be good, but harvesting weather was bad and the result was that the yield was away below the average not only in wheat but also in oats, barley, flax, and all other grains. I think my hon. friend from South Huron will bear me out in this. In addition, last fall there was a considerable increase in the price of cattle; many farmers purchased cattle at a high price and then the market slumped, with the result that they were left with these cattle on their hands. These were conditions which no one could control; they were conditions over which this government or any other government which might be in power in Canada would have no control at all. I would like to point out, however, that as between the Conservative party and the Liberal party, the Liberals always have recognized agriculture as the basic industry of this country while the Conservative party have not done so, although at present in order to gain some votes, they appear to be flirting in a political way with the agricultural sections of Canada. However, you only have to look over this house to notice the farmer members on this side and to compare them with the farmer members on the other side.

Mr. COTNAM: Liberal-Progressives?

Mr. SANDERSON: I will include the Liberal-Progressives with the Liberals in this statement.

Mr. GARLAND (Bow River): I am afraid they are included outside the statement, also.

Mr. SANDERSON: I will say to my hon. friend that so far as I am able I will take them inside the statement

Mr. CAMPBELL: There is no reason why you should leave them out.

Mr. SANDERSON: It was quite unintentional. What I am trying to get at, if I may be allowed to go on, is this: I do not think the Conservative party will be able to bring many farmers into their camp by any high protection policy in Canada.

Now I want to refer to the speech delivered a short time ago by the hon. member for Vancouver Centre (Mr. Stevens). As I have observed my hon friend in this house I have noticed that he has the ability in speaking to build up an argument out of very little and bring it before the house as though he really believed it himself; he has that ability more than any other member here. He took credit to the Conservative party in his address for very many things; he started in to credit the Conservative party with what he considered advancements in legislation and in everything pertaining to the development and progress of Canada; he would not give credit to the Liberal party for anything. He gave the Conservatives credit for the Royal Canadian Mounted Police; for the national policy; for the Canadian Pacific Railway; for the Canadian National Railways and for the Welland canal. He left out confederation and the discovery of America; perhaps he only overlooked them, but at any rate he ended with the war.

Mr. GOTT: Signing the peace pact.

Mr. SANDERSON: The hon. member for South Essex (Mr. Gott) usually talks about onions, but now he is talking about the peace pact. The hon. member for Vancouver Centre mentioned, near the close of his speech —a very admirable speech to listen to—about the part—

Mr. RYCKMAN: Tell us about it.

Mr. GOTT: He is looking for onions now.

Mr. SANDERSON: The hon. member said:

> Then there was the conduct of Canada's part in the Great war. Nevertheless, that great task was conducted by a Conservative administration.

I always considered that the Union government had something to do with the prosecution of the war. If my hon. friend had not interrupted me so much perhaps I would not have mentioned the fact that I have always considered that the successful prosecution of the Great war was due to those men who went overseas, to their dependents who were left in Canada and to the loyalty and sacrifice of all the people and that the government of the day, whether a Conservative or a Union government, deserves very little thanks.

Mr. MANION: Quite a number of the men who went overseas are over here on this side of the house.

Mr. SANDERSON: Quite true, and my hon. friend was one of that gallant company. Now that the hon. member for Fort William (Mr. Manion) has spoken I will remind him that he joined the Union government shortly after the war, but he must not forget that the opinion of the people of Canada with regard to the prosecution of the war by the Conservative and Union governments was shown quite definitely at the first opportunity they had of marking their ballots. The hon. member for Fort William was not in the ministry very long, and he had another brief stretch of about thirty-six hours in 1926.

Mr. GOTT: Will the hon. member permit a question?

Mr. SANDERSON: No; you will have an opportunity to make your speech a little later on.

The governments in power at Ottawa, whether they were Conservative or Union, did many things in connection with the war, with regard to war contracts, munitions, boots and shoes and other matters which were not creditable to them.

Mr. RYCKMAN: Is that all you did?

Mr. SANDERSON: I did as much as my hon. friend. I must beg my hon. friend's pardon; I had forgotten that he lost a son in the war. I am not going to permit my hon. friend to get away with these interruptions. I will tell the hon. member that I did not stay at home and profit by war contracts; whether he did or whether he did not, I do not know.

Mr. SPENCE: Because you could not get any.

Mr. SANDERSON: Am I to be permitted to continue my remarks without further interruptions?

Mr. SPENCE: Talk some sense.

[Mr. Sanderson.]

Mr. SANDERSON: The hon. member for Parkdale (Mr. Spence) is not talking sense.

Mr. SPEAKER: Order.

Mr. SPENCE: You are making a joke of the whole house.

Mr. ELLIOTT: You are certainly not taking it as a joke.

Mr. SANDERSON: The hon. members cannot distract me from my speech. I intend to say a word or two with regard to the tariff advisory board. A great deal of criticism has come from the other side of the house regarding that board. The hon. member for South Wellington (Mr. Guthrie) referred in his remarks to the expenditure of $120,000 to cover the work of the board. I will take this opportunity of congratulating the member for West York (Mr. Lawson) on his maiden speech in the house, but I must draw attention to the fact that he stated the total expenditure for the tariff advisory board was $191,000. I would point out that both hon. members were incorrect in their statements; the total expenditure last year for that board amounted to only $71,000. The board is doing a great work as a fact-finding organization. Information is obtained from those who apply to the board, whether for an increase or reduction in the tariff, which could not be obtained in any other way. I direct the attention of the house to the fact that the government introduced last year about one hundred and eighty new or amended items, all of which had been brought about through the work of this board. The revision this year is somewhat smaller, but the government has revised in the course of two budgets close to 20 per cent of the total items in the customs tariff, which revision has been brought about through the work of the tariff board. This board has also brought out many differences of opinion among hon. members on the other side of the house. I hold in my hand the record of the public sitting, reference No. 2, on iron and steel. This covered the application of the Algoma Steel Corporation for an increase in the duties on steel and iron products. That application was bitterly opposed by some of the so-called high protectionists. The hon. member for Lincoln (Mr. Chaplin), while he was not there in the flesh, was there in the spirit by proxy through his manager, Mr. Taylor, and advocated a lower tariff. The hon. member for Pictou (Mr. Cantley) was there, but he stuck to his guns and combated the arguments of Mr. Taylor, the manager of the company of which the hon. member for Lincoln is the president. Several other gentlemen were there but I will not take up the time of the

house in naming them, other than to say that it only proves that the tariff board is bringing out facts with regard to the manufacturing interests, costs, markets, production, and everything pertaining to manufacture, which could not be brought out in any other manner.

I want to read to the house something from the proceedings of the third annual convention of the Canadian Chamber of Commerce which was held in Quebec city on June 7, 8 and 9, 1928. These remarks were made by Mr. C. H. Carlisle, president and general manager of the Goodyear Tire and Rubber Company. I do not know his politics, but perhaps my good friend, the hon. member for East Toronto (Mr. Ryckman) who has interrupted me once or twice and who is also, or was, interested in a rubber company, can tell me what this man's politics were. Mr. Carlisle goes on to say:

> I question whether the average individual has given enough thought to the export business to know just what it means to this or to any other country. There is not a great deal of difference between conditions governing an individual and those governing a business or a nation. An individual who spends more than he makes finds himself indebted, and, being indebted, he is not happy, he is not an asset to his family, nor to his community, nor to his country. If he can produce more than he spends, then he accumulates wealth; his whole trend of life is changed, he is a better citizen, he becomes an asset to his family, his town and his country. The same is true with a company. The company whose expenditures are greater than its income must necessarily be in an unhappy condition; its securities will not sell at a normal price; the people who have invested their money in that company have not a sure investment; the bank with which that company deals is not dealing on a very sound basis.

Mr. SPEAKER: Order.

Mr. R. C. MATTHEWS (Toronto East Centre): Mr. Speaker, I propose to address a few words to the house on the question of the retirement of our public obligations. For a number of years there has been in the minds of many Canadians the hopeful expectation that among its financial proposals, the budget would deal with a definite plan for the retirement of the public debt. The Minister of Finance (Mr. Robb) cannot have been unaware of that expectation, but for some reason he has not seen fit to give parliament assurance even of consideration of the question.

In the last two years there have been several addresses delivered in this house, in which particular reference has been made to the retirement or amortization of the public debt. In 1927 I called attention to the national importance of an orderly plan of debt elimination. I also took the liberty of pointing out that the Minister of Finance stopped in his budget speech at the current fiscal year and went no further. I then urged an investigation and the formation of a definite plan to extinguish the whole of Canada's funded obligations within a given period. My leader (Mr. Bennett), and the hon. member for South Wellington (Mr. Guthrie), have spoken specifically and forcefully to the same end. Indeed, with a more profound knowledge, and a better grasp of affairs than I can command, they have brought home to the government the economic necessity of providing by statute for the extinction of our funded debt. The leader of the opposition pointed out last year, that in fairness to the taxpayers, to the country and to posterity, this problem should be met. He stated that the sum of $19,829,904 set aside annually at four per cent per annum would retire the debt in forty-five years.

If we take this year's surplus of $69,000,000 and deduct $20,000,000 as one year's portion of such a debt retirement plan, we have left $49,000,000, which is an amount within $9,000,000 of the estimated total sales tax for the present fiscal year, or if applied to income tax, it is more than double the whole amount collected from individuals.

Now, Mr. Speaker, what is the position of the debt? And what is the reason for debt retirement? Why do we urge it, and why does the government refuse to apply the principle of amortization? Let us first look at the funded debt itself. It consists of the following issues of securities:

$ 60,000,000	5½%	bonds due 1929
20,000,000	4½%	bonds due 1930
45,000,000	4 %	notes due 1930
25,000,000	5 %	bonds due 1931
52,931,600	5 %	bonds due 1931
73,325,150	5½%	bonds due 1932
446,658,800	5½%	bonds due 1933
511,910,650	5½%	bonds due 1934
23,467,206.27	3½%	bonds due 1934
874,000	5 %	bonds due 1935
40,000,000	4½%	bonds due 1936
236,299,850	5½%	bonds due 1937
90,166,900	5 %	bonds due 1937
8,071,230.16	3 %	bonds due 1938
18,250,000	3 %	bonds due 1938
10,950,000	3 %	bonds due 1938
15,056,006.66	3½%	bonds due 1938
75,000,000	4½%	bonds due 1940
147,000,000	5 %	bonds due 1943
50,000,000	4½%	bonds due 1944
45,000,000	4½%	bonds due 1946
4,888,185.64	2½%	bonds due 1947
137,058,841	3½%	bonds due 1950
100,000,000	5 %	bonds due 1952
93,926,666.66	4 %	bonds due 1960
$2,330,835,086.39		

This is a list of twenty-four issues of bonds, and one issue of notes. Of these twenty-

five separate loans only three have any provision whatever for sinking funds. It is noteworthy that these three are sterling issues, marketed in England, and no doubt the English bankers who sold them, insisted on the sinking fund of one-half of one per cent as a condition of their offering them to the public of Great Britain.

The complete list totals $2,330,835,086.39 interest bearing securities, on which the interest must be paid year by year, and the principal as the bonds severally become due. But of this amount the sum of $1,258,293,406.27 falls due in nine issues between 1929 and 1934 inclusive. These successive issues, sweeping upon us like ocean waves, cause much concern in financial and commercial circles as to what course the government will adopt to weather the seas and to keep the financial ship of state on an even keel. So far, no course with enough merit to commend it to the taxpayers of Canada, has been suggested by the government. The Minister of Finance has announced that he expects to pay cash for $60,000,000 five and one-half per cent bonds coming due this year. So far as it goes, this is satisfactory, but what the taxpayers are asking the minister is: "What of the future? What is proposed in respect to the colossal amounts coming due in the next few years? How is the debt to be paid and within what period?" To this the minister makes no reply. He offers no prospect of legislation dealing with the debt as a whole.

Lord Goschen once said, that everyone who makes proposals with regard to the public debt, must feel that he must make out a strong case for the action he proposes to take, before he is justified in disturbing the markets or the credit of the country. The proposals we from this side have made, if put into effect, will improve the market for Canadian government financing, and will add to the credit of the country, and not only add to it, but will help to sustain it in periods of money stress or stringency. For example, the sum of $20,000,000 used annually in the buying of Canadian bonds for sinking fund purposes, would have a most salutary effect upon the market for Canadian government securities.

Now, Sir, perhaps something can be learned if we inquire in a general way into the methods employed by other countries. This inquiry should be broad. and it should be fair. Perhaps the best example that can be cited is that of Great Britain.

For one hundred and forty years Great Britain, except in certain intervals, has had debt retirement plans in operation. They are taken as a matter of course. When she funded her obligations to United States a few years ago, a sinking fund was an essential part of the plan. The total amount funded was $4,600,000,000, which is being redeemed by a cumulative sinking fund in sixty-two years. On December 15 last the half-yearly instalment of principal and interest was paid, the instalment being $94,200,000, of which $27,000,000 was principal and $67,200,000 was interest. Since the funding of this debt to United States, Great Britain has paid $964,380,000, of which $147,000,000 has been on account of repayment of principal, and the balance, $817,380,000, is interest. The outstanding amount due from Great Britain to United States is now $4,453,000,000.

On her domestic, as well as her foreign debt, Great Britain has taken definite action. In 1928 the Chancellor of the Exchequer made a new announcement. He recurred to the policy instituted in Mr. Disraeli's government by Sir Stafford Northcote with the full support of Mr. Gladstone in 1875. He established in last year's budget a fixed debt charge for all the services of the debt, including the sinking fund. This debt charge is £355,000,000 a year, which is designed to retire the entire debt, including government stocks, savings certificates and all internal and external obligations, including also the debt to the United States, in fifty years, without any addition to present taxation. What a magnificent contribution to sound finance!

The British government is not shirking its obligations to its own people, or to the world. It is to-day the magnificent example of stern adherence to duty in sound financial administration. That honest determination has a foundation built deep and strong, laid well over a century ago by a far-sighted statesman. When William Pitt assumed the high office of Chancellor of the Exchequer in 1782, one of his first concerns was the state of the country's finances. The American war debt alone was an alarming spectre—$600,000,000. The national debt had reached the gigantic total of nearly a billion and a quarter dollars. The yearly deficit was a menace. The country looked to its young and brilliant chancellor. He restored confidence in three ways: by discovering new avenues of trade; by efficient administration; and by providing for the amortization of the public debt.

Now, Mr. Speaker, that was much more than a century ago, and if I use William Pitt as an example I should be in a position to justify my choice of such example. Sufficient time has elapsed for historians to form a judgment. I turn to Lord Rosebery, a dis-

tinguished scholar, himself one of that line of great men who have been prime ministers of England. One hundred years after Pitt's debt retirement scheme was put into effect, Lord Rosebery looked back over Great Britain's history, and indeed the history of the world, with its wars and tumults, its great conquests and struggles. He held the greater part of the Victorian era in review. He saw in their true sense of proportion the chancellorships of Goschen, Gladstone, Northcote, Disraeli, Goulburn and Althorp, and, with the achievements of these men before him, he penned his verdict on the debt retirement plan of William Pitt. May I read that verdict?

> . . . . the minister reached the culminating point of his financial fame by his plan for the redemption of the national debt, which his contemporaries regarded as his highest claim to renown, and which is accordingly inscribed on the scroll to which he is pointing in Lawrence's majestic portrait. . . . He created an independent board of commissioners for the reduction of the debt, to whom a million was to be annually paid; they were to be officials of the highest character and distinction: the Speaker, the Chancellor of the Exchequer, the Master of the Rolls, the Accountant General, the Governor and Deputy Governor of the Bank of England; and in this form the board exists to this day.

Does the hon. the Minister of Finance aspire to reach the culminating point of his financial fame by inaugurating a debt retirement plan, or does he consider that he has already attained his highest claim to renown and is entitled to take his place among the immortals?

Lord Rosebery further says:

> Its real value lay in the fact that it was an honest and steadfast method of paying off debt; and experience tells us, that debt is in reality only reduced by the patriotic resolve of parliament; which is rendered doubly efficient when, as in Pitt's scheme, the fund devoted to debt redemption is placed beyond the casual interference of a needy minister, and when its operations are scarcely perceptible to a public, justly if sometimes ignorantly, impatient of taxation.

I made reference a few moments ago to the chancellor's 1928 plan of debt retirement. With the contribution of £355,000,000 steadily maintained, free from unholy hands, Britain will extinguish her total present debt well within the span of life of persons now living, and who can to-day comprehend the plan. The Chancellor of the Exchequer, speaking in the House of Commons on April 24th, 1928, said:

> The payment of £355,000,000 a year, if steadily maintained, even if the rate of interest falls no lower than 4½ per cent, will extinguish our entire debt, internal and external, including our debt to the United States, without any addition to present taxation, in a period of exactly fifty years.

I now turn to the United States. The position of the United States of America is well known. Under Mr. Coolidge there was economy and retrenchment. The gross debt which stood at more than $26,500,000,000 has been scaled down in eight years to $17,604,290,562.93. The reduction in the fiscal year ended June 30th, 1928, was $905,883,703.17. Of this amount $540,246,020.30 was discharged from ordinary receipts on the established debt payment program, and $365,637,682.87 was discharged from surplus.

In our own country some of the provinces have adopted debt retirement plans. The province of Ontario recognized its responsibility to the taxpayers and instituted an investigation. Its debt stood at $319,963,354. The government asked for a committee, one member of which was to be named by the Investment Bankers' Association, another by the Canadian Bankers' Association, and the government named the financial controller of the province of Ontario. This committee reported to the Provincial Treasurer, who adopted a debt retirement plan whereby the whole debt of the province as it stood on the 31st day of October, 1925, including the obligations of the Hydro-Electric Power Commission and the provincial debt, will be retired in forty years from that date. All bonds issued since October 31, 1925, have been in conformity with the plan of retirement, either serially or by annuity.

Mr. ROBB: I do not like to interrupt the thread of my hon. friend's argument, but could he tell the house how the debt of Ontario compares to-day with the debt of 1925, when this plan was introduced?

Mr. MATTHEWS: I am sorry I have not the figures at hand in regard to the total debt, but I do know that the old debt of Ontario under the plan has been reduced by six million dollars. Since it was put into operation three further bond issues have been made, and they have been either on the serial or the annuity plan.

What about other countries? Well, Mr. Speaker, I hold in my hand a booklet describing in detail all foreign bond issues made by governments, states, public utilities, and so forth, in New York, representing post-war financing up to December 31, 1928.

In all there are 437 issues representing $6,448,000,000, distributed over five continents and thirty-eight countries, including Austria, Belgium, Bulgaria, Czechoslovakia, Denmark,

Finland, France, Germany, Greece, Hungary, Irish Free State, Italy, Jugoslavia, Norway, Poland, Argentine, Brazil and many others. Practically all these countries are paying large sums into sinking funds for the retirement of their obligations. There is one notable exception—Canada.

None of the Canadian issues listed have any sinking funds to retire them by maturity. Only one of them can be called for payment to take advantage of cheap money for conversion or refunding, and that issue is $100,000,000 5 per cent bonds, and is not callable prior to 1942.

So, when the hon. Minister of Finance sees no necessity or obligation to propose a debt retirement plan he is out of step with all the financial authorities of Europe and America. He places Canada in a position of complacent isolation. An announced plan of grappling with the debt problem would strengthen our hands when we come to finance, which we must do in the comparatively near future. We can strengthen our position and bring it into high relief. To flaunt before the eyes of parliament and the country a huge surplus is but to glorify overtaxation. The announcement by any government, that taxes are extracted from the people of Canada far in excess of all requirements, is but to invite the government supporters to press for capital expenditure for political expediency.

As I see it, Mr. Speaker, this Dominion is in need of business administration, both as to capital and current outlay, and a reduction of taxation to actual financial necessities. We are spending too much money uselessly, prodigally. Last year, in the old land, after the estimates had undergone their annual scrutiny and had passed the house, the government undertook a campaign of economy, and they clawed back over fifty millions of dollars—£10,500,000, to be exact—that had already been voted. What this country needs is a little clawing back of unnecessary expenditure. Taxation should be so low that the Minister of Finance would have to do some real clawing to balance his budget.

What I propose in regard to the debt is that after the most searching investigation, there should be put into effect a scheme of orderly reduction, year by year, over a fixed period, at the end of which the whole of Canada's funded obligations as they stand at present shall have been retired. Furthermore, that all future issues of securities by the Canadian government shall be payable in instalments of principal and interest, or be payable serially, or have sinking fund provisions, that will retire them in a fixed period.

This question is not sectional or territorial. It is not political. It is national in the highest and truest sense. In it, to a degree, is wrapped up the economic well-being of the nation. The goal is definite and attainable. That attainment is in the interest of all the people. Its influence on the budget should result in the lowering of taxation so that the real needs of the country, and that only, should be the paramount test of estimated outlay.

For these reasons, Mr. Speaker, I urge with earnestness and confidence that Canada be allowed to take her rightful place financially with other nations. No country has a more assured future and, therefore, none can more easily plan and complete the absorption of her outstanding obligations.

Mr. E. J. YOUNG (Weyburn): I am impelled to take part in this debate because of certain utterances of hon. gentlemen opposite. Statements have been made from the opposite side of the house which had much better been left unsaid, and policies have been advocated which if carried into effect could have none other than a disastrous effect on Canadian trade and on Canadian industry. When members of parliament get up in their places and openly advocate a policy of retaliation against a country which as yet has done us no harm; when they openly demand a fiscal policy of an eye for an eye and a tooth for a tooth; when they even go so far as the hon. member for Vancouver South (Mr. Ladner) did, and urge that parliament abdicate its powers and surrender into the hands of the ministry full control of the tariff and taxation, in order that that power might be used to wage a tariff war against another country: when members of parliament do these things, I say, it is time for all those members who believe that we are sent here to look after the affairs of our own country, and not to vent our spleen on other people, to raise our voices in protest.

I wish to correct a wrong impression that has been circulated throughout the country by a portion of the press in regard to the speech of the Minister of Finance (Mr. Robb). The minister delivered his budget speech on the 1st day of March, and the next morning a section of the Tory press came out with great black headlines, "Robb threatens retaliation." I listened closely to the speech of the Minister of Finance, I have read it carefully in Hansard since, and I can find no word or sentence in it that would indicate in any way that he had any thought of retaliation.

The sentence in the minister's speech on which the press bases its opinion is this: "It is our desire to trade freely with any and all who are willing to trade with us." Was there any suggestion of retaliation in that statement? In order to understand clearly what the minister meant by these words we should keep in mind what has gone before. In 1911 the American government, under a Republican president, offered Canada better trade relations. The government of the day was about to accept, but it was defeated at the polls, and a government of the party represented by hon. gentlemen opposite came into power. They refused that offer. They refused it, not politely but rudely, churlishly, boorishly. They said to the Americans, "We don't want to have any truck or trade with you."

Mr. McGIBBON: Does my hon. friend know that everything in that treaty was given later and that they did not keep to it six months?

Mr. YOUNG: (Weyburn): I am coming to that. A short time after, the American government, under a Democratic president this time, gave us free of charge many of the things contained in that treaty. This was the second gesture in the way of friendly relations made to us by the people of the United States. The same party was in power in Canada then, and how did they respond that time? Was there any talk then of retaliation? Was there any talk then of paying them back in kind, when they reduced their tariff against us? When they reduced their tariff did that party in Canada say, "We will respond"? They said, "No; we have those Yankees where we want them. We have made them give us something and we have given them nothing in exchange."

Mr. McGIBBON: Does the hon. gentleman make that statement seriously, that we gave them nothing in return?

Mr. YOUNG (Weyburn): I said, that is what your party said.

Mr. McGIBBON: No, they did not.

Mr. YOUNG (Weyburn): That party openly boasted that they had secured from the Americans what we expected to secure from them in 1911 and that they had not given them anything in exchange. Now, there were two separate occasions on which the people on the other side of the line made friendly offers of better trade relations with this country, both of which were rejected by the party opposite.

Now let us come back to the statement of the Minister of Finance. What did it mean? It was an intimation to the United States government that if they are still in that humour, if they are still disposed to have better trade relations with this country, they will find us in a more amiable mood, ready to trade with them. As the minister said. "We are willing to trade freely with all those who are willing trade with us." That was not a threat of retaliation. It was an olive branch, held out to a country which had twice held out the olive branch to us.

Mr. MANION: Is my hon. friend making that statement authoritatively? I see the Minister of Finance in his seat, and he does not contradict it. Is that the interpretation we are to accept?

Mr. ROBB: Is there any objection to a statement of that kind?

Mr. MANION: I have no objection; all I want is a frank interpretation of the statement.

Mr. ROBB: The hon. gentleman is making his speech.

Mr. MANION: The minister does not deny it and we will accept that interpretation.

Mr. McMILLAN: There is nothing wrong about that.

Mr. YOUNG (Weyburn): I am accused of having a definite aim in life. I think it was the hon. member for Fraser Valley (Mr. Barber) who said that my ambition was to destroy the fruit and vegetable industry. In reply to that, all I have to say is that it is the ancient privilege of a man who has no case to abuse his opponent. But in all these matters of the tariff I frankly confess that my concern is for the interest of the consumer. I believe with Bastiat that all economic questions should be studied from the consumer's standpoint, for the consumer's interests are the interests of the human race. Let me repeat these words, for I want them to soak in. "Study all economic questions from the consumer's standpoint, for the consumer's interests are the interests of the human race." What after all is prosperity? In what does it consist? Does it not consist in having plenty of everything for everybody? Commodities good, cheap and abundant, so cheap and so abundant that everyone can enjoy them? And every measure you take to increase the volume of commodities in the country and to lower prices widens the circle of people who are enabled to enjoy the use of those commodities, and is a step in the direction of prosperity. On the other hand, every measure you take to restrict the volume

of commodities coming into the country and to raise the prices of them, confining their use to a narrower circle of people, is a step in the opposite direction.

I know that is not the idea of prosperity held by hon. gentlemen opposite. Their idea of prosperity is a smaller volume of commodities sold at high prices, and at a handsome profit, to a restricted circle of consumers. Perhaps I can best illustrate it this way. I go into the restaurant in this building and I see hon. gentlemen who, although they may not be wealthy, are at least sufficiently well off to be able to buy anything they want to eat without regard to the cost. I see them eating bread and butter on the fifty-fifty basis —half bread and half butter. It does not matter how dear the butter is, they eat it. I see them eating tomatoes at 30 and 40 cents a pound and strawberries at 50, 60 and 75 cents a box. They are not eating celery but the hearts of celery. They are willing to pay a good price for these things; they are willing to pay an extra few cents a pound for butter or an extra few cents a bunch for their vegetables. And they call that prosperity. But that is only one side of the picture. From there I go into the cottage of the working man. There I find the mother eating bread without butter in order that the little butter which there is may be spread on the bread of the children. She tells me that she has been downtown and has looked into the shop windows which she sees filled with the best fruits and vegetables. But they are beyond her reach. However, she says that perhaps later in the season they may be cheap enough for her to buy some. That is the Conservative idea of prosperity—plenty of everything at high prices for the few who can afford it, and scarcity among the masses who cannot.

Mr. MANION: And plenty of work for the people to buy it with.

Mr. YOUNG (Weyburn): We will see about the work later on.

Mr. GEARY: You say either too much or too little.

Mr. YOUNG (Weyburn): I will say the rest presently. We on this side have a different idea. We believe that prosperity is measured by the manner in which people live.

Mr. QUINN: Faith without works is dead.

Mr. YOUNG (Weyburn): If my hon. friends would do some good work on the other side it would help somewhat. As I say, we believe that prosperity consists in a higher standard of living for the people. We are not alarmed at a few million pounds of butter coming in from New Zealand because we know it is going into consumption; we know from the returns of the department that the people of this country are living better than ever before; we know that in spite of the fact that a few million pounds of butter are coming in from New Zealand, the people of Canada to-day are consuming dairy products to a greater degree than ever before. In fact, they are consuming products to such a degree that if the increased consumption were reduced to terms of butter it would amount to no less than 70,000,000 pounds of butter annually within the last few years. How can the people of Canada afford to consume so much more of dairy products than they were a short time ago? The answer is obvious; it is because they are more prosperous. I am not dismayed when I hear these stories of carloads upon carloads of fresh fruits and vegetables coming into this country, because I know every one of these articles is going into consumption; someone is eating them, and a larger importation simply means that a wider and ever wider circle of people are enjoying the fruits of the earth. That is prosperity, and that is being extended under the policy of this government.

All this talk about the importation of fruit and vegetables breaking the home market and ruining our own producers is arrant nonsense. The argument they put up is this: they do not care how much comes in during the winter time when our fruits are out of season, but when our Canadian growers are ready to put their fruits on the market they say the importation of a few carloads breaks that market. I think most of us remember when transportation conditions were such that we could not transport these articles any distance, and what was then the condition of the local grower? The fluctuations in price were far greater than they are to-day. In those days the consumer had nothing at all in the way of fresh fruits and vegetables until our own crop was ripe; then we had such quantities that they were sold very cheaply and it was not very long before they were all gone. To-day, with modern transportation facilities and with the tariff as far out of the way as we have been able to get it, we find an ever-widening circle of people who are able to enjoy the fruits of the earth.

Now I would like to discuss for a moment the fruit situation in British Columbia because from that quarter comes the greatest agitation for prohibitive duty on fruits and vegetables. The fruit growers of British Columbia went to their provincial govern-

ment two or three years ago and persuaded that government to form what they called a Committee of Internal Direction, or something of that kind. To this committee they gave power to handle all the fruits and vegetables grown in that province. This was not a voluntary pool but a compulsory arrangement under which every grower was forced to sell his products through that concern at a price named by them, to the party named by them and at a time named by them. If he dared sell his products anywhere else or in any other way he could be taken into court and fined. This matter came to light in an investigation which was conducted before the tariff board, and the observations of the chairman of that board are well worth remembering. I am sorry I have not them with me but I will give them to the house from memory. He said that this was the most remarkable thing that had ever come to his notice; it was not voluntary co-operation but an attempt on the part of the people of one province to control the supplies of the people in the prairie provinces, and the strange thing about it was that the people in the prairie provinces were powerless to help themselves.

That organization was set up, and one of the first things they did was to fix the price of onions at $40 per ton. With freight and handling charges added, that brought the price of onions on the prairies to the point where we thought we could buy them cheaper elsewhere, so we bought our onions in Ontario and left British Columbia holding the bag, so to speak. Then what happened? Last winter these people came to Ottawa from British Columbia to hold a conference with the fruit and vegetable growers of the east, and put up this proposition: They said, "You form a committee similar to ours and you control the supplies in the east as we control them in the west. Then we will get the government to shut out all supplies from the south and we will have the people of the prairie provinces in the hollow of our hands." Parliament was sitting at the time. We who are supposed to fix the tariffs of this country were in session here, and these gentlemen over in the Chateau Laurier drew up a list of values which were to be the values for duty and which would fix the duty on fruits and vegetables for the coming season, in utter contempt of parliament. That was the aim of the fruit and vegetable growers in British Columbia; that is the aim of the people here who are clamouring for higher duties on fruits and vegetables. They want to shut out supplies from all sources but their own; they want to form a monopoly and hold the people of the prairie provinces in the hollow of their hands. Why, in a good many cases they cannot even supply our requirements; they cannot supply more than one-tenth of the prairie market for peaches, yet they would have us pay a duty of 80 per cent on imported peaches in order that they might extract an exorbitant price for that one-tenth of our requirements which they can supply.

When I first came to this house three years ago the thing that struck me most in the debates was the solicitude of hon. gentlemen opposite for the farmers. Bankers, professional men, manufacturers, and business men generally would get up and constantly urge protection. Protection for what? They urged protection for the farmer, and as I listened to those debates the question kept recurring to my mind, "What have we done to be so much loved? Why do our friends in these other professions seem so anxious all of a sudden for the welfare of the farmer, when we had always considered that they had no interest in the farmer at all except as a lamb to be sheared?"

Mr. GEARY: Did you expect us to be hostile?

Mr. YOUNG (Weyburn): No, but I expected you to tell us what was really in your minds. However, here was the position: After the close of the war a great wave of high protectionist sentiment swept over the world. That wave did not make much headway in Canada, and the principal reason was that the farmers of Canada, from coast to coast, were a unit in opposing it. Those in Canada who were interested in high protection, some because they honestly believed it would be good for the country and others because they believed it would be good for their own pockets, realized that they could never force the government to increase the tariffs in this country unless they first succeeded in dividing the farmers on the issue. So these were the tactics they adopted: They tried to pick out those isolated groups of farmers specializing in certain commodities and persuade them that if they would accept protection on their particular commodity they would benefit at the expense of the rest of the community. We must admit that they have met with some degree of success, because to-day we find poultry producers asking for higher duties on eggs; we find fruit and vegetable growers asking for higher duties on fruits and vegetables which will exclude these articles; we find dairymen asking for higher protection on dairy products, and so on. They have persuaded these farmers that

it would be to their particular advantage to eat a little of the protectionist pie, but in this respect I think the farmers would do well to take warning from what has happened to the farmers on the other side of the line.

In the United States protection has been carried to ridiculous extremes. The farmer has been told that protection would be a benefit to him and he has been given protection on all his products. If there is any country in the world where protection would benefit the farmer it is the United States, because there he has such an enormous home market of his own. The farmer fell for that argument and voted for protection, and what has been the result? The farmer of the United States to-day is in a far more pitiable plight than any other farmer of whom I know; he finds himself in this position, that no matter what price he receives for his products his production costs are always just a little higher. He is like the ox in the treadmill, forever climbing but never ascending; or like the ancient Tantalus, dying of thirst with water all around him or starving to death with food in abundance just beyond his reach.

I have here a copy of The New Republic of New York, which contains an article dealing with the condition of farmers in the United States to-day. It reads as follows:

> With the failure of farm income, deflation occurred, followed by a land crisis. Bankruptcies and foreclosures were widespread and inevitable, and the tragic procession of defeated farm families began to move citywards, seeking livelihood in other occupations than those to which they had been trained. By 1924 it was a migration; then a rout. To-day we know that we suffered a net loss in farm population of four millions, and still land panic is with us. Farms are still being foreclosed in numbers by mortgagors, and land prices are strikingly subnormal.

The Ottawa Journal, an independent paper published in this city—

An hon. MEMBER: An independent paper?

Mr. YOUNG (Weyburn): I am just taking it at its own valuation. The Ottawa Journal of May, 1928, speaking of farm conditions in the United States, has the following to say:

> Agriculture has not shared in United States prosperity. Of 6,371,640 farms between Maine and the Golden Gate one in five is mortgaged for 40 per cent; two in five are on unimproved roads; only one in twelve has improved machinery. So says the United States Census Bureau.

The result is that to-day the farmers of the United States are demanding such fantastic schemes of relief as the McNary-Haugen relief bill, and you cannot blame them because they have been promised better prices if they would vote for protection. They voted for protection but the better prices never came, and now they are asking congress to guarantee those better prices.

The hon. member for Fort William (Mr. Manion) made a reference to a particular case in his speech which I cannot allow to pass unnoticed. He referred to a shipper, I think it was in Toronto, who sent a consignment of dress goods to Detroit, only to find that the United States tariff had been raised overnight and the shipment could not enter. In the United States tariff there is a provision which is called the flexible provision, and which permits the president to increase the duty by 50 per cent under certain conditions. The inference was that this flexible provision had been used and the duty raised so that this shipment could not enter the country. That story has been going around in different forms for the last two or three years; sometimes it is ladies' dresses sometimes it is sweaters, and sometimes it is iron and steel goods. I have tried repeatedly to trace these stories down but have been unable as yet to find that there was one authentic case.

Mr. MANION: I will give you one.

Mr. YOUNG (Weyburn): Give me the particulars of the case, the name of the shipper, the name of the consignee, the date of the shipment and the description of the goods. I will undertake to investigate any cases and for every one which proves to be authentic I will produce five cases where our own Customs department has done the same thing, or even worse.

Mr. MANION: That has nothing to do with the question I asked a minute ago.

Mr. YOUNG (Weyburn): It has a whole lot to do with the question of retaliation. If we are going to resent that sort of thing on the part of the United States government, they have much more cause to resent it on our part.

The member for Last Mountain (Mr. Fansher) referred in his speech to a matter on which I would like to comment, the classification of the new combined harvester-thresher. When the customs tariff was drawn up there was no such machine coming into the country. Harvesting machines were put in the 6 per cent class, but this machine has been put in the 10 per cent class. I consider the request of the hon. member that it be put in the 6 per cent class to be a very reasonable one, and I urge the minister to do this. I

would urge that it be done during the present session of parliament and not leave it to the tender mercies of the customs board, because in that case it might never be considered.

There is one sentence in the budget speech of the Minister of Finance which I view with grave concern. It is as follows:

> Resolutions will be submitted for your approval empowering the governor in council, when satisfied that copper bars are being sold in the country of export at a lower price than for export to Canada, to impose, under the general tariff, a duty on copper rods of one-half cent a pound, to equalize such differential as may exist.

I am opposed to the granting of that power to the ministry. In the first place, it is not economically sound; and in the second place, it is subversive of the powers of parliament. A peculiar situation exists with regard to copper. Ninety-five per cent of the world's copper is controlled by the United States; it is not all mined there, but it is controlled from that source. The only smelter of any size outside of that American ring is the smelter at Trail, British Columbia. This small ring of men who control the copper situation in the United States have formed what they call the Copper Export Association. They would like to fix the price for copper for all the countries in the world, but when they attempt to fix the price for the United States they run foul of the Sherman anti-trust law. But the American government permits them to fix the price for export, and after they have fixed the price for export each member goes back to his own factory and quietly quotes an American price of half a cent per pound below the export price. It is a very simple arrangement, but how it would stand investigation in the United States, I do not know. Since they fix the price at half a cent per pound higher for export than for domestic consumption, the Canadian who has to buy copper bars is forced to pay half a cent per pound more than do his American competitors. There is a small concern at Brockville, Ontario, which makes a business of manufacturing copper rods out of copper bars. They obtain 60 per cent of their copper bars from the smelter at Trail—that is all they can get there—and the other 40 per cent they have to buy in the United States, and for that they are forced to pay $8 to $10 per ton more than do their American competitors. When they go out to sell their product they find themselves faced with the competition of American firms who have bought their bars at a lower price, and the proposal is that we give to the governor in council the power to put a duty of half a cent per pound on copper rods so that this Brockville company will not be subject to this unfair competition. The obvious answer to the American Copper Export Association has been made by Noranda mines, who have decided to build a smelter of their own. But that cannot be done for some time, and the question is: What will we do in the meantime? This concern at Brockville employs about thirty-one men and, as I said, they obtain 60 per cent of their copper from Trail and 40 per cent, which is subject to this extra price, from the United States. The proposal is to add a half cent per pound to all rods coming into Canada in order to protect this industry which employs only thirty-one men and obtains only 40 per cent of its raw material from the United States. In order to offset a handicap of $8 a ton on 40 per cent of the raw material of 31 men it would add $10 a ton to the price of the raw material of several Canadian factories that use copper rods as raw material. It would increase the price on 100 per cent of the raw material used by other factories in Canada which employ many times 31 men. You cannot put that duty on without increasing to every factory the price of their raw material, and in that way it is economically unsound.

But the worst feature of the proposal is that it is subversive of the powers of parliament, Parliament has been maintained by the British people throughout the ages for one purpose above all others; to restrain the power of the king or of the government of the day. If we never do anything else but hold the ministry back from usurping powers which do not belong to them, we justify our existence; if we fail to do that we cannot justify our existence. It may be said that the ministry is honest and we can trust them, but these gentlemen will not always be in office.

Mr. GARLAND (Bow River): The matter of restricting the powers of government is a very vital one, and I agree with the hon. member in that regard, but is he prepared to vote against a government that proposes this?

Mr. YOUNG (Weyburn): The hon. member will get his answer in due course.

Parliament has always been maintained for the purpose of preserving the rights of the people against encroachments by the crown. The ministry might be entrusted with this power and not abuse it, but we must not forget that it was always during the reigns of good kings that the people lost their liberties. They said, "The king is good, the king is wise and he may be trusted with this power." They gave him the power and he used it with wisdom and with mercy. But in time another king sat on the throne

and he abused the power. If we give this power to the ministry we know they will not abuse it, but some day hon. genelemen opposite may be in power and we certainly will not be able to trust them. If we grant this power to-day we will be asked to-morrow to grant similar powers with reference to something else. "T'will be recorded for a precedent and many an error by the same example will rush into the state." I am not in favour of granting this power to the ministry. I hope the Minister of Finance will not press it.

Mr. B. W. FANSHER (East Lambton): Mr. Speaker, I have listened with a great deal of interest to the speech of the hon. member for Weyburn (Mr. Young), and I was very much interested in his last argument. But I wondered all the time how he would apply his reasoning to the present budget, the subject that is now under discussion, and my curiosity in that regard was not satisfied, because he sat down without giving us any idea of his opinion regarding the value of the budget.

The financial statement as presented this year is, from some aspects, very gratifying. The contribution through various forms of taxation of $450,000,000 to the public treasury by less than 10,000,000 citizens is a notable achievement. The contribution on an average of $45 for every man, woman and child, or $225 for every family of five, speaks well for the thrift and industry of the Canadian people. If we add to this amount the taxation levied by the provinces, counties, townships and municipalities, we commence to realize the huge amount that is annually provided to the different governments and taxing bodies by the Canadian citizens.

The Minister of Finance (Mr. Robb) this year, as has been his custom in years past in presenting his financial statement, has divided his tax receipts under three main divisions. In the first he includes those taxes derived from customs and excise duties; in the second, war revenues, and in the third, receipts from the postal department, interest on investments, money received through the administration of the Canada Grain Act, and various other miscellaneous receipts. He estimates that by the end of the present month, which is the end of the fiscal year 1928-29, he will have collected in taxes from the first group, $248,400,000, made up as follows:

Customs import duties	$185,000,000
Excise duties	63,400,000

Under the heading of war revenue he estimates that the amount that will be collected will be as follows:

Sales tax and stamp taxes	$ 81,500,000
Income tax	58,500,000
Delayed business profits tax	450,000
Miscellaneous	2,200,000
Total	$142,650,000

In the third group he expects to receive the following:

Interest on investments	$11,600,000
Post office	31,000,000
Dominion lands	4,000,000
Canada Grain Act	3,000,000
Miscellaneous receipts	9,350,000
Total	$58,950,000

This makes up the grand total of taxation this year of $450,000,000. Not until our entrance into the Great war were any of the taxes enumerated in the second group imposed; all our taxes were derived from the sources mentioned in the first and third divisions. Since our entrance into the war large sums of money have been levied through war taxes, but never during any single year have receipts from war taxes been sufficient to meet annual war expenditures. There has always been a deficit. Year by year the minister has given us a statement of the actual receipts from these war taxes, but never in any year with the exception of one—and I believe that was the fiscal year ended March 31, 1925—has he given us a statement of the actual annual expenditures on war account. That year he showed that receipts from war taxes amounted to $147,000,000 and expenditures to $167,000,000, or a deficit of $20,000,000. This year the minister estimates that receipts from war taxes will amount to $142,650,000 and expenditures to $162,911,000, leaving a deficit of more than $20,000,000. This deficit on war account becomes a direct charge on other forms of taxation, and as long as we have deficits on war account, it seems strange to me that reductions in taxes from year to year should be simply in connection with war taxes. It is my firm belief that war taxes should be sufficient to meet annual war expenditures, and I would go further than that and say that war taxes should be sufficient to meet the annual charges on war account consisting of interest on war debt, pensions, soldiers' civil re-establishment, and so forth, and also to provide whatever sum is paid annually upon our war debt. If that were the case, this year we would have to raise under the heading of war taxes $20,000,000 more to meet our annual war expenditures, and another $70,000,000, the amount applied on war

debt, or a total of $90,000,000. That $90,000,000 has to be taken from other sources of revenue, and it simply means that out of the $248,000,000 provided by customs tariff and excise duties we have to take $90,000,000 to meet our expenditures on war account, and to make our annual reduction in war debt.

As I said a moment ago, to my mind war taxes should meet war expenditures. In 1927 and 1928 we had large reductions in the income tax, the sales tax has been reduced year by year, and in no financial statement that has been presented have we ever received sufficient revenues to meet war account. The income tax should be put back where it was before 1927. The sales tax is being continually reduced and it is one of the most direct means of raising revenue with the least expense. It often appears curious to me why we should be persistently reducing the income tax and the sales tax, while the customs tariff, the tax that the Liberal party specified they would reduce, has not received any material reductions during the life of this parliament. If the reduction in war taxes goes on each year, we will soon be faced with the fact that we shall have to take half the revenue derived from customs and excise duties to meet our deficit on war account. And then we shall soon begin to realize what Sir Thomas White meant when he said that the war debt, if it was paid, would be paid out of the top six inches of Canadian soil. If our war expenditures and the reduction of our war debt is to be paid through the customs tariff, we can readily see that the financial burden of the war is going to be placed on the shoulders of the people on the soil, because those on the soil bear most of the tariff burden.

The Minister of Finance says that the policy of this administration is not a high tariff policy, but a low tariff policy. But having said that, he at once proceeds to lower those forms of taxation which do not bear upon the tariff at all, and he leaves the tariff practically untouched. As far as this budget is concerned, it seems to be somewhat of a watchful waiting affair—watching to see what the United States will do at the next session of congress in regard to raising the tariff, and waiting to see how much political capital the Conservative party might make out of such a step if it were taken. To a certain degree I am somewhat in sympathy with this watchful waiting policy. If the government of the day ever had an excuse for not giving tariff reductions, perhaps it has a better one at this session of the house than it has ever had before during the term of this parliament. There are fields in which the Minister of Finance could, I believe, have implemented some of the promises given in the Liberal platform of 1919, and one of these I believe to be the lowering of the duty against British goods. Although it might be advantageous to adopt a watchful waiting policy this session as regards the United States. I see no reason why it should not be to our advantage to lower the duty against British goods. Then, too, the policy espoused by the United States is to be directed largely, we understand, against agricultural products. There is therefore a large number of commodities with which they would not concern themselves, and I can see no reason why we should not proceed to give tariff reductions upon some of those commodities upon which the tariff board has already passed. It may be that the government has let the opportune time slip by for giving substantial reductions. I notice that some members on the government side of the house seem to entertain that view, judging by what they have said in this debate. They seem to be fearful that the golden opportunity has passed by. I quote from the speech made by the hon. member for South Huron (Mr. McMillan). Speaking in this debate, he said:

> I urge upon this government that its duty is to proceed more rapidly along the lines of a well-considered tariff reduction. I urge them again that we can do this kind of thing only in periods of good times. We cannot do it in times of adversity. Now is the golden opportunity, and we should be taking advantage of it. Apparently, however, the government seem inclined to mark time.

The hon. member for South Huron is evidently getting anxious and somewhat fearful lest we have no tariff reductions this year. He almost seems to think that the government has sinned away its day of grace so far as tariff reductions during the life of this parliament are concerned. I notice also in the speech of the hon. member for Lisgar (Mr. Brown) a somewhat similar sentiment. He has this to say:

> From the standpoint of the ordinary consumer I confess that there is not a very great deal in this budget; it does not contain much meat, of course, but we may be glad that it does not contain any poison.

The hon. member has evidently given up all idea of getting any meat from any of the budgets presented by the Minister of Finance, and is now willing to be thankful if only no poison is administered. I hope that the hon. Minister of Finance will bear in mind these expressions of his supporters when he prepares his next budget.

I wish to deal for a few minutes with some of the commodities that were considered by the tariff advisory board. It is a well-known fact that the Liberal platform of 1919 enumerates a large number of commodities which they proposed placing on the free list. After enumerating those commodities, of which cement was one, the resolution concludes with this sentence:

> The Liberal party hereby pledges itself to implement by legislation the provisions of this resolution when returned to power.

The tariff board has investigated the duty on cement, and anyone who reads the evidence which was taken in that case must come to the conclusion that the manufacturers of cement are not entitled to tariff protection. I find that during the last year for which I can get complete returns, there was imported into this country 73,652 hundredweight of cement, on which there was a duty collected of $5,875, or eight cents per hundredweight. There was manufactured in Canada, 35,230,527 hundredweight. There was exported 900,000 hundredweight, which left to be consumed in Canada, 34,330,527 hundredweight. Now it can be readily seen that with a duty of 8 cents per hundredweight, the protection furnished on the amount consumed in the home market amounted to $2,746,442. Putting it in another way, that amount of protection is provided, for while the government obtains one dollar in revenue, it provides for the industry, $467, or in the ratio of $1 for the treasury and $467 for the industry. In the light of those figures I can see no reason why we should not have had cement placed on the free list in this budget.

Sewing machines have also been investigated by the tariff board. The number of sewing machines imported during the last year for which complete returns are available was 19,929, valued at $593,657, or at an average price of $30 per machine. The duty collected was $161,953, or an average duty of $8.12 on each sewing machine. The Bureau of Statistics inform me that only one company manufactures this machine in Canada, and hence they could not furnish me figures giving the number of machines manufactured. But they did give me the value of those exported, namely, $3,464,098. Reckoning each machine at a value of thirty dollars, we find that 1,135,469 machines were exported.

I may say that I have selected some of these articles because they are in general use, and the following tabulations will, I believe, be of interest to the house:

Stoves, coal, wood and oil—	
Imports	$ 506,410
Duty collected	126,382
Percentage	24.95
Total manufactured in Canada.	5,675,202
Exported	114,482
Used in Canada	5,560,720
Protection afforded	1,390,180
Ratio	1 to 11

That is, for every dollar received by the treasury eleven dollars was provided the protected manufacturers.

Furniture is very necessary to the settler, and in fact to every citizen. What do I find in regard to furniture manufactured entirely from wood? These are the figures:

Imported into Canada	$ 2,271,777
Duty collected thereon	634,980
Percentage of duty	.28
Manufactured in Canada	35,733,818
Exported	296,778
Used in Canada	35,437,040

For every hundred dollars' worth of furniture imported twenty-eight dollars was collected in duty. It is obvious that every time a hundred dollars' worth of furniture is manufactured in Canada there is provided by way of protection to our furniture manufacturers an equal percentage, amounting to $9,922,371. The ratio between the treasury and the manufacturer is 1 to 15.7.

Now let me give some figures with regard to enamelware. The conditions surrounding the manufacture and sale of this commodity have been examined by the tariff board, and anyone who reads their report can come to no other conclusion, it seems to me, than that the tariff duty should be reduced. Here are the figures:

Imported	$ 314,369
Duty collected	100,778
Percentage	.32
Total manufactured in Canada.	2,171,384
Exported	32,882
Used in Canada	2,138,502
Protection afforded	684,320
Ratio	1 to 6.8

I have similar figures relating to cutlery most of which we import.

Imported	$1,401,801
Duty collected	341,265
Percentage	24.34
Total manufactured in Canada.	693,100
Exports	958
Used in Canada	692,042
Protection afforded	169,443

We collected 24.34 per cent on a million and a third dollars' worth of these imported goods in order to protect less than half of that amount manufactured at home.

Now, the total duties collected on these five commodities, leaving out sewing machines, amounted to $1,209,280, and the protection provided represented $14,912,756, or a ratio of 1 to 12. Why do I mention these commodities? Largely because they are required by the immigrant and by the settler, and it seems to me that the protection afforded has a direct bearing upon our immigration problem. For years past this government and its predecessors have in their efforts to attract settlers given assisted passages to intending immigrants from the old country and in some cases provided what may be termed ready-made farms. We have gone to this expense to bring in immigrants, but we have failed to tell them that when they proceed to furnish their homes with these necessary commodities, no matter whether they buy imported goods or goods made at home, they will be taxed at the high rates that these figures disclose. It seems to me that as a complement to our immigration policy it would be advisable to place these commodities on the free list or as nearly so as possible and thereby reduce the purchase price to the intending settler.

We have heard a good deal in this house about prosperity. Some say we have it, some say we have it not; some want to know what it is and others, where it is. It depends a good deal on whom you ask as to what answer you will receive. If you ask the banker, he will say yes; ask the broker, he also will say yes, we have prosperity; ask the manufacturer and he will say the same thing. But ask the farmer and he will invariably say, no. I am glad to notice that in this house there has been somewhat of a change in attitude towards the farmer and farmers' rights. I well remember that during the fourteenth parliament the members in this section of the house were termed calamity howlers because they persisted in pointing out the plight agriculture was in. Some were termed the Jeremiahs from the west. But I observe that to-day large numbers in all parties in the house are agreed that the farmer is not enjoying that degree of prosperity which he should. On that, most of the members of the house are agreed. And with that idea in mind I turned to the census report, secured from the Bureau of Statistics, and published after the enumeration of 1921. I went over the figures given for the ridings of nearly the whole province of Ontario, taking all that portion lying south of Muskoka, Victoria county and Renfrew—what is known as old Ontario. In that area I find 385 townships, scarcely a single one of which has not witnessed a decline in population. The following table, which gives the figures from 1901 to 1921, will show the decline that has taken place, with increases in a few instances.

Electoral district—	Number of townships	Loss in population 1901-1921	Gain in population 1901-1921
Brant	4	950	
Bruce North	9	7,131	
Bruce South	7	7,605	
Carleton	8	3,268	
Dufferin	6	5,050	
Dundas	6	3,975	
Durham	6	3,425	
Elgin East	4	909	
Elgin West	3	3,999	
Essex North	5	1,977	
Essex South	10	1,418	
Frontenac	16	4,138	
Glengarry-Stormont	6	3,071	
Grenville	5	3,321	
Grey North	7	6,860	
Grey Southeast	9	10,743	
Haldimand	10	2,651	
Halton	4		722
Hastings East	13	4,017	
Hastings West	10	3,990	
Huron North	8	6,507	
Huron South	8	5,791	
Kent	8	3,905	
Lambton East	7	6,017	
Lambton West	5	5,171	
Lanark	14	4,519	
Leeds	10	4,675	
Lennox-Addington	14	3,991	
Lincoln	8		4,965
Middlesex East	5	2,301	
Midlesex West	10	5,191	

Electoral district—	Number of townships	Loss in population 1901-1921	Gain in population 1901-1921
Norfolk	8	4,342	
Northumberland	8	4,816	
Ontario North	6	2,068	
Ontario South	5		1,142
Oxford North	5	2,497	
Oxford South	6	1,742	
Peel	5	551	
Perth North	5	2,967	
Perth South	6	3,149	
Peterborough East	9	2,701	
Peterborough West	7		313
Prescott	7	2,176	
Prince Edward	7	1,830	
Russell	6	442	
Simcoe North	5	3,844	
Simcoe East	5	5,509	
Simcoe South	6	2,504	
Waterloo North	3	744	
Waterloo South	3	880	
Welland	8		10,019
Wellington North	6	4,764	
Wellington South	6	2,248	
Wentworth	8		10,150
York North	5	1,404	
Total	385	177,744	27,311
Net loss		150,433	

It will be seen that the total decrease in that twenty-year period is 177,744, while the increases in a few townships total 27,311. But those increases are due entirely to the overflow from cities like Hamilton, which have extended into the townships.

Mr. ADSHEAD: What was the net loss?

Mr. FANSHER (Lambton): The net loss is 150,433; but I believe that the increases are due largely to the overflow. Now, to obtain a correct idea of what that loss in population means, I would point out that it represents more than one-third of the population of the city of Toronto in 1921, the last year for which we have a return; it is more than the entire population of the cities of Hamilton and London combined; it is 70,000 more than the entire population of the city of Ottawa as recorded in 1921; and it is larger than that of a dozen cities in Ontario combined. It is no wonder then that the farmers, so far as Ontario is concerned, are alarmed at the problem which faces them.

Judging by the budget one would think that we had not a real problem to face in this country, that all that was necessary was to levy taxation to meet the required expenditures and that no adjustment of taxation should be made to alleviate some of the conditions which, as we see, have been prevailing in Ontario during this century. I venture to say that when the next census is taken we shall find that the loss has persisted in about the same degree as it continued from 1901 to 1921, and it will then be readily understood why the farmer is concerned about the taxation proposals of any government. It is on account of this loss that he is so insistent in his demand that tariff taxation shall be reduced; because ever since the national policy was forced upon this country agriculture has been made the pack horse for all other industries. Or, to change the figure of speech, agriculture has been the big brother who has had to support all other infant industries; and although they have become strong he is still looked upon as the big brother. But as these records show, we are faced with a diminishing population and the agriculturist is not standing up under the burden.

My hon. friends of the Conservative party say, increase the tariff and protect the home market. If there is any place in the Dominion where the result of that policy should have proven satisfactory it is right in the province of Ontario, where we are closest to the largest markets which the Dominion furnishes. Yet in these twenty years for which I have given figures we have witnessed a decrease in population to the huge figure I have indicated.

Mr. DUNCAN SINCLAIR (North Wellington): Mr. Speaker, in rising to make a few observations on the budget I wish first to congratulate the hon. member for South Wellington (Mr. Guthrie) on his wonderful address. He has placed the condition of affairs

in this country before the people of Canada so that a child could readily understand it, and has shown that this is due to the action or the inaction of this government.

I agree with the hon. Minister of Finance (Mr. Robb) that there is a certain amount of prosperity in Canada at present, but I regret to say that this prosperity has not to any great extent touched the farmer or the labouring man. This talk of prosperity reminds me of an incident which happened while I was a salesman for one of the largest implement concerns in Canada. I was sent out to see an Irishman in order to collect a past due account; I passed a pleasant hour with him and he kept me away from the subject as long as possible. Finally, I said, "Well, Pat, we have had a very pleasant visit, but money talks and if you do not pay up the firm will sue you." He said, "Mr. Sinclair, do you mean to tell me that money talks?" I said, "It sure does, Pat." Then he said, "That's funny it never has been on speaking terms with me." This wonderful prosperity about which the minister speaks is not on very good speaking terms with the farmer and the labouring man throughout Canada to-day.

Before dealing with the importation of butter into this country under the Australian treaty I wish to make a few remarks with regard to an incident which occurred in the agriculture committee a few days ago. Present at that meeting was a representative of the hon. Minister of Agriculture (Mr. Motherwell), and he gave us some figures which only strengthened my opposition to this treaty. He assured us that New Zealand butter did not hurt the dairy industry of Canada, and then he went on to say that the farmers in New Zealand did not need barns to protect their cattle, and that the cattle were put on grass for practically twelve months of the year, while the farmers of Canada have to stable their cattle for six months and give them high priced feed in order to meet the unfair competition from New Zealand. He also told us that the average farmer could keep from fifty to eighty cows on one hundred acres, that the land was worth from $300 to $700 per acre and that there were plenty of buyers who would pick up this land whenever the farmer wish to sell.

Knowing something of the dairy industry I have just figured this out roughly, and I find that eighty cows on one hundred acres, giving twelve and a half pounds of milk each milking, would average twenty-five pounds of milk per cow per day, or two thousand pounds of milk in all. With three hundred milking days, giving the cows sixty-five days' holiday, which is a long enough holiday for any cow, that would mean six hundred thousand pounds of milk per year. I see the minister is in his seat, and I hope he will take notice of this. We were also told that the price of cheese regulated the price of butter. If we consider twelve pounds of milk to equal one pound of cheese we find that the dairy farmer in New Zealand would produce fifty thousand pounds of cheese per year; at twenty cents per pound, which is one cent less than the figure he gave us, this would mean an income of $10,000 per year for the New Zealand farmer. If we allow the farmer $3,000 a year for expenses we find that he has a net profit of $7,000 per year, and I would like to ask the Minister of Agriculture if he can find any dairy farmer in the province of Ontario making that much money on one hundred acres of land.

Properly speaking this Australian treaty should not be so designated because Australian butter is not interfering with us at all. I cannot understand the attitude of hon. members on the government side of the house who argue that shipments of New Zealand butter do not interfere with the dairy industry of Canada. Hon. gentlemen opposite must have received petitions from all over Canada protesting against this treaty and stating the injury it is doing to the dairy industry of Canada. Even the Minister of Agriculture, in his address, said:

> There is nothing wrong with the dairy industry. See all the milk and cream we are shipping to the United States; see all the milk and cream we are using in ice cream. We may be short on butter but we are producing as much or more milk than ever.

This statement was made in face of the fact that in 1928 we had 100,000 cows less than in 1927. I fancy I see the disgusted look on the faces of those 100,000 of our best milch cows upon discovering they had to leave their good Canadian homes and go across to the United States, a disgust accentuated by the nonsense talked by the Minister of Agriculture. That is nothing, however, to the look of contentment mingled with gratitude on the faces of the 60,000 additional cows in New Zealand during the past year—which increase was brought about by the prosperous condition of the dairy industry of that country as a result of the kindness and the generosity of the Canadian government—as they wallow in New Zealand's luxurious grass, saying "We will come to your assistance, Canadian Minister of Agriculture." They came to our assistance in January, 1929, when we imported 7,660,681 pounds of butter, valued at $2,710,988; this

was in January, when our cows were all housed in expensive buildings, each of which cost the farmer from $5,000 to $6,000. They do not need buildings in New Zealand in order to shelter their cows except in rainy weather, and when it is raining the farmers cannot construct buildings anyway.

How can the minister argue that the importation of such a large amount of butter into this country since the passing of this act has not hurt the dairy industry? Since this act went into force we have received under it, mostly from New Zealand, more than 30,000,000 pounds of butter valued at almost $11,000,000. This enters Canada under a duty of one cent per pound, while New Zealand charges us six cents per pound. Will the minister say this is fair competition?

What have the dairymen done about it? On November 29 last a deputation from the National Dairy Council of Canada waited on the government asking for some protection for the dairy industry, but they received no encouragement; at their annual meetings in 1927 and 1928 they condemned the treaty and pleaded with the government for some adequate protection for the industry. The farmers' association of Nova Scotia, at their annual meeting this year, condemned this treaty and Dr. Cumming, head of the marketing division of that province, declared that New Zealand butter was setting the price for Nova Scotia butter. Is this fair competition? Mr. Calder, president and general manager of the Saskatchewan Co-operative Creameries, declares that in three years Canada has ceased to export 25,000,000 pounds of butter annually and has imported an equal amount, and the figures given out by the Bureau of Statistics prove this to be so. I regret, therefore, that in this budget the government has made no provision for the protection and safeguarding of this great industry.

I should like to comment on the immigration policy of this government. I find the following figures prepared by the statistical branch of the government with reference to immigration during the year 1928:

Canadians entering United States.	73,154
Canadians returning from United States..	39,887
Loss of Canadians to United States	33,267
Immigrants from United States, other than Canadians..	25,007
Net loss to Canada..	8,260
Immigrants from United Kingdom	50,872
Immigrants from continental Europe	75,718

Deducting the figure 33,267, which represents the loss of Canadians to the United States, from the figure 50,872, the immigration from the United Kingdom, leaves a net addition of 17,605 of British stock. During the same year, 75,718 aliens were received from continental Europe, which added to the 25,007 from the United States gives a total of 100,725 aliens added to the population of Canada, as compared with 17,605 of British stock. That is, during last year we added about six aliens to our population for every one of British stock, and we paid out $2,704,698 to do that. Surely our continental immigrants are costing us too much good Canadian money. This government was so pleased with the year's business that they raised the salary of the deputy minister from $8,000 to $9,000. I would ask any manufacturer in the house if he would increase his manager's salary, or even retain his services, upon such a showing.

I wish to say a few words with regard to agricultural implements. I find that the farmers of this country paid the United States the huge sum of $40,000,000 for agricultural implements purchased during 1928. Every bolt and nut on these machines could have and should have been made in Canada. The purchase of farm tractors alone amounted to $21,000,000. If the government were working in the interests of the Canadian farmer it would see that tractors were sold to our farmers as cheaply as they are sold to the farmers to the south of us.. If the government would adopt the policy of Canada for the Canadians and have the goods consumed by our people manufactured in this country from our own raw materials, thus giving employment to our own boys and girls, many of the problems of the Minister of Immigration (Mr. Forke) would be solved. Our boys and girls would be glad to come back from the United States to the country they all love so dearly. Ramsay MacDonald, a former Prime Minister of Great Britain, addressing a meeting in that country shortly after his return from Canada last year, said:

> After more than twenty years' absence from Canada, I hardly recognized places I had visited before. It was an absolute revelation and a good revelation to me. If you go to the United States and try to find the soul of the country, you will find it to be largely materialistic. I have been trying to get in touch with whatever is the soul of Canada, and it is certainly not materialistic.
>
> There is a vitality of expansion, a youthfulness, and a hopefulness in Canada. Her weakness is that she has not got sufficient magnetic power to keep her people, both Canadian-born and British immigrants within her own borders. The great magnet that is always pulling them is the United States, and it is of the most vital interest to Canada to devise some means whereby she can accumulate sufficient magnetic power to hold her population within her domains.

The magnet which is drawing our boys and girls to the United States is that of employment. The burning question is: How can we keep them? The only solution I see is for the government to have our raw materials manufactured at home in Canadian factories by Canadian workmen, rather than in the United States. What an army of men would be employed if the $40,000,000 worth of farm implements purchased by Canada in the United States were manufactured here. The American manufacturers realize this and are becoming alarmed. An Associated Press despatch from Washington, dated March 6, says:

If the Canadian farmer stopped buying farm implements in this country a steady market would be gone which nets American manufacturers forty million dollars a year by taking up the slack of the over-production of American factories.

President Hoover therefore will bring his influence to bear on leaders in both houses to have the farmers tear down their tariff increases and at the same time placate the business men and persuade them to withdraw their lobby against agricultural increases generally.

I also quote the following from an editorial appearing in a Canadian newspaper:

Canada, United States Best Customer

During 1928, a Washington despatch informed us yesterday, Canada was Uncle Sam's best customer. We bought goods from him to the value of $916,155,506.

We bought more goods from the United States than England, which has four times our population.

We bought twice as much as Germany, which has six times our population.

Every day, indeed, during the whole of 1928, Canada sent $2,500,000 across the line for United States goods. Two and one-half millions a day.

What did the United States buy from us? The answer is that while ten million Canadians were buying nearly a billion dollars' worth of goods from the United States, one hundred and twenty million people in the United States bought only $488,000,000 worth of goods from Canada.

And that isn't all. Because while a tremendous part of the two and a half million dollars that went out of Canada each day to the United States was for manufactured goods —goods which had provided work and wages for Americans, and which were sold to us at a rich profit—the great proportion of what the United States bought from us was raw material. Goods the Uniated States had to have.

The moral has been pointed a thousand times. But how long will be it be before the government of this country has the sense and the courage to act upon it?

When the hon. Minister of National Defence (Mr. Ralston) was speaking the other day he mentioned the stock of the Massey-Harris Company. He said:

In other words, the old stock that was worth $50 is now worth $336.

I do not know whether he mentioned that as being an indication of the general prosperity of this country, but I should like to ask him—

Mr. RALSTON: I meant it as being an indication that the industry had not been hurt.

Mr. GEARY: On its Batavia business.

Mr. SINCLAIR (Wellington): I should like to ask the Minister of National Defence what the local agents of the Massey-Harris Company have made during the last four years; has their income advanced in the ratio that would be indicated by the figures I have just quoted—$50 to $336? Have the experts who set up those machines made any advance in the last four years? Have the farmers who bought those machines made any advance; and has their stock increased from 50 to 336 in the last four years? I know for a fact it has not.

I know there has been prosperity in certain places and it has something to do with financial prosperity, too. I find that our minister at Washington is experiencing wonderful prosperity and by leave of the house I should like to place some figures on Hansard:

Vote 304—Canadian Representation at Washington

Salaries and wages: Envoy extraordinary and minister plenipotentiary, Hon. Vincent Massey, $12,000, house and representation allowance, 2 m. at $18,000, 10 m. at $10,000, allowance for automobile, $2,000; first secretaries: L. Beaudry, $5,000, house, living and representation allowance, $3,500; H. H. Wrong, Apr. 10 to Mar. 31 at $5,000, house, living and representation allowance at $3,500; commercial secretary, M. M. Mahoney, $5,000, house, living and representation allowance, $3,500; third secretary, T. A. Stone, $3,000, house living and representation allowance, $1,250; prin. clk. bk-kpr. B. Carter, $2,400; resident correspondent, T. W. King, $1,200; H. M. Lamont, subsistence allowance, $915; librarian and file clk., B. McGregor, $1,800; sten. A. St. Denis, 8 m. to Mar. 31 at $1,800; principal clerks: M. Macpherson, 6 m. to Mar. 31 at $2,400, S. McCool, 6 m. to Sept. 30 at $2,400; senior stenographers: J. Deschamps, Apr. 12 to May 13 at $2,100, E. A. Ewen, $2,100; caretakers, $1,029.16; messengers at $840: H. Brown, 7 m. to Oct. 31, P. Lemmon, 5 m. to Mar. 31; office boy, C. Hobson, Oct. 11 to Mar. 31 at $360; telephone switchboard operators, $950.40; temporary stenographers at $5 per d., $375—$70,434.62.

Travelling expenses: Hon. Vincent Massey, $1,616.52; L. Beaudry, $281.16; M. M. Mahoney, $212.01; S. McCool, $28.05; A. St. Denis, $42.78; T. A. Stone, $422.27; H. H. Wrong, $271.02 —$2,873.81.

Materials, supplies, repairs, etc: Electrical repairs and supplies: B. M. Comerford, Washington, $1,154.40; accounts under $1,000, $19.50 —$1,173.90.

Fuel: American Ice Co., Washington, $2,024.05; accounts under $1,000, $211.35—$2,235.40.

House furnishings: Associated Purchasers, Ltd., London, England, $3,616.73; accounts under $1,000, $534.37—$4,151.10.

Various: carpenter work, $734.34; construction of bookshelves, $287.97; floor machine, $132.50; locks, keys, etc., $158; office furniture, $426.37; photographic supplies, $148.50; plumbing, $401.59; renovating interior of legation, $780; repairs to elevator, $385.62; sundry repairs, $289.58; sundries, $443.58—$4,188.05—Total, $11,748.45.

Printing and stationery: King's Printer, supplies, $1,893.45; outside purchases, $1,251.67—$3,145.12.

Miscellaneous: Appraising house furnishings, $100; cartage, $302; cleaning carpets, $110.40; cleaning offices, $672.68; customs duty, $150.16; electric light, $942.52; expenses in connection with special official ceremonies, $288.90; freight and express, $281.07; insurance, $317.45; newspapers and publications, $893.22; postage, $319; rent of offices, $900; rent of rooms at "The Mayflower" for Hon. V. Massey, Apr. 1 to June 1, $2,541.69; taxi hire, $371.35; telegrams, $1,297.76; telephones, $1,402.56; sundries, $512.14—$11,402.90—Total, $99,604.90. less interest on bank account, $346.14.

Total as shown in summary—see index, vol. I, departmental summaries, $99,258.76.

Our minister at Washington has cost the country about $100,000 in the past year. For what purpose? Attending pink teas and other functions! What other possible excuse has the government, because, while 10,000,000 Canadians were buying $916,000,000 worth of goods from the United States, 120,000,000 people in the United States bought only $488,000,000 worth of goods from Canada. What has the ambassador done to save or protect this country after we have spent $100,000 on his expenses at Washington?

I believe the time has arrived when Canada should cease to be taking up the slack of the over-production of United States implement manufacturers, and it is up to us as Canadians to take a firm stand in the matter. We do not need to worry. The United States manufacturers are anxious to retain the best market they have, and they will gladly come over here rather than lose their very best customer. Why not make them come? Let us break this endless chain which the United States manufacturers are always so boastful about, and let us have this magnetism which Ramsay MacDonald claims we lack.

We have heard a great deal in the house and in the press in regard to our wonderful coal deposits. At our present rate of consumption we have in Canada enough coal to last for thousands of years. What is the government doing about the matter? Why send $100,000,000 per annum to the United States for coal when we have an abundant supply both east and west? Why not use this magnet Providence has provided, give employment to our people and keep this large amount of money in our own country? Someone has figured that if 1,000,000 tons of imported coal were replaced by Canadian coal, employment would be given to 6,666 people, who would earn an average of $1,500 a year. That money in circulation in Canada would keep up a good thriving town. Workingmen require clothing, doctors, lawyers, teachers and ministers, besides giving our farmers a good market for the products of the farm.

I am heartily in favour of the amendment moved by the hon. member for South Wellington and I regret the government has not made provision for reasonably safeguarding the interests of those engaged in agricultural pursuits or industrial employment in Canada.

On motion of Mr. Cotnam the debate was adjourned.

On motion of Mr. Robb the house adjourned at 6 p.m. until Thursday, April 4.

END OF VOLUME I